



Advancing education through cooperation



Cost Savings

MHEC's cost savings initiatives have saved entities in Midwestern states over \$386 million since 1991. Through these programs MHEC partners with states to help them provide quality higher education with finite resources. Many of MHEC's cost savings programs can also be used by K-12 districts and schools, state and local governments, and not-for-profit entities—further extending the value MHEC provides to its 12 member states. Current cost savings opportunities are available in the areas of technology, property insurance, and health care benefits.



Student Access

MHEC also provides savings to students and families through MHEC's Midwest Student Exchange Program, which improves access and choice through reduced tuition at nearly 100 participating campuses. Students have saved more than \$163 million in tuition by using this program. MHEC provides an electronic transcript initiative to reduce the cost and streamline the process of applying to postsecondary institutions and transferring among colleges.



Policy Research

MHEC provides legislators, governors, trustees, and college and university leaders with resources to inform decision making, advance research, and improve practice. MHEC also convenes diverse stakeholders to address key issues and develop collaborative strategies to effect change in higher education. The compact aims to improve educational opportunity in an era of limited resources, ensuring an educated workforce necessary for the economic strength and well-being of states and communities.

MHEC Quick Facts

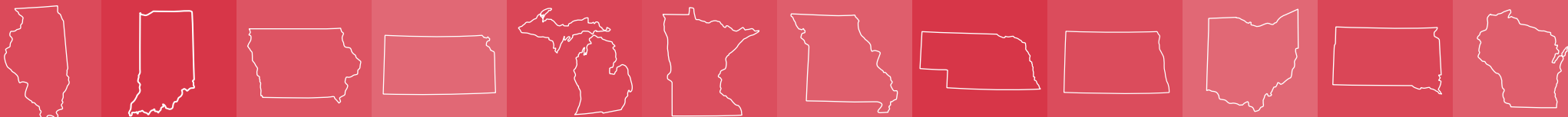
- » Statutorily-created, the compact was established in 1991.
- » Created for the purpose of advancing higher education through cooperation and resource sharing.
- » Compact serves Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
- » Five individuals from each state are appointed to serve as MHEC commissioners on the 60-member governing body comprised of legislators, higher education leaders, and governors' representatives.
- » MHEC activities are funded through annual member state commitments, program fees, and foundation grants.
- » MHEC annual state compact commitment remains \$95,000 through FY 2015.
- » MHEC member states receive 47-fold return on MHEC investment for FY 2012, total savings compared to annual state commitment paid.

Midwestern Higher Education Compact

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for more information
visit us online at
www.mhec.org



Annual Program Savings in MHEC Member States

MHEC Member States	What Member States Pay 2011-2012 (State Commitment)	Total Annual Savings	Where Entities and Citizens Save			
			Computing Hardware Program ¹	Computing Software Program ²	Master Property Program (Insurance) ³	Midwest Student Exchange Program ⁴
Illinois	95,000	13,582,580	6,684,204	251,754	4,826,900	1,819,723
Indiana	95,000	3,059,958	2,124,788	128,249	114,803	692,118
Iowa	95,000	872,933	776,584	96,349	NP ⁵	NP ⁵
Kansas	95,000	5,067,847	966,554	131,447	286,828	3,683,018
Michigan	95,000	8,019,096	3,611,873	256,827	798,693	3,351,704
Minnesota	95,000	4,959,673	1,744,358	108,939	1,598,484	1,507,892
Missouri	95,000	5,591,650	1,761,942	209,844	1,298,641	2,321,224
Nebraska	95,000	3,943,485	582,631	37,401	266,424	3,057,029
North Dakota	95,000	396,967	54,492	38,992	NP ⁵	303,482
Ohio	95,000	2,492,668	2,340,516	152,152	NP ⁵	NP ⁵
South Dakota	95,000	29,959	16,022	13,937	NP ⁶	NP ⁵
Wisconsin	95,000	5,215,468	1,847,415	108,727	NP ⁵	3,259,326
Program Totals	\$1,140,000	\$53,232,283	\$22,511,378	\$1,534,617	\$9,190,773	\$19,995,516

Footnotes:

1. Hardware program savings include those from Dell, HP, Juniper, Enterasys, Systemax, Sun, and Xerox.
2. Software program savings are from the Novell/MHEC Collaborative Program, Oracle, and Open Systems.
3. Based on premium and loss information as of June 30, 2012.
4. Student tuition savings for the academic year 2011-2012.
5. Non-participating state for 2011-2012.
6. In 2012, the SD Office of Risk Management requested a quote for property insurance for 2012-2013 at its six SD Regent institutions. Even though the SD Office of Risk Management kept its current carrier, they indicated the MHEC quote saved the institutions about \$239,302.

Cumulative Savings for MHEC Member States through June 2012

MHEC Member States	Cost Savings Programs			Other Initiatives	Student Access	Savings	Commitment
	Computing Hardware Program ¹	Computing Software Program ²	Master Property Program (Insurance) ^{3, 6, 7}	Other Initiatives ⁴	Midwest Student Exchange Program (Reduced Tuition) ⁵	Cumulative STATE Savings	Cumulative State Commitment Paid through 7/01/2012
Illinois August 20, 1991	49,813,299	3,278,858	32,205,640	15,672,186	1,819,723	102,789,706	1,484,659
Indiana March 14, 1996	18,361,717	1,570,705	228,911	5,358,571	1,602,400	27,122,305	1,311,500
Iowa June 6, 2005	3,567,700	293,571	201,532	231,371	NA	4,294,175	650,000
Kansas April 25, 1990	3,974,010	1,241,167	734,131	3,025,262	49,228,133	58,202,705	1,482,300
Michigan July 24, 1990	32,095,780	2,717,981	13,943,292	43,222,866	23,276,419	115,256,338	1,485,500
Minnesota April 26, 1990	7,430,319	1,396,155	11,912,803	10,876,074	9,435,245	41,050,595	1,485,500
Missouri May 9, 1990	10,395,120	1,345,855	17,707,605	5,484,930	23,095,755	58,029,266	1,485,500
Nebraska June 5, 1991	3,312,198	929,478	7,372,128	2,127,919	39,165,350	52,907,073	1,485,500
North Dakota April 22, 1999	641,169	235,890	NA	1,000,822	1,876,524	3,754,405	1,137,500
Ohio January 9, 1991	21,118,873	2,422,091	45,000	32,198,285	NA	55,784,249	1,485,500
South Dakota March 13, 2008	123,919	172,243	85,000	NA	NA	381,162	380,000
Wisconsin April 18, 1994	9,188,533	300,774	NA	6,747,463	13,588,570	29,825,340	1,345,000
TOTAL	\$160,022,638	\$15,904,766	\$84,436,043	\$125,945,750	\$163,088,120	\$549,110,785	\$15,218,459

Footnotes:

1. Hardware program savings include those from Dell, HP, Lenovo, Juniper, Enterasys, Systemax, Mitel, Sun, and Xerox.
2. Software program savings are from the Novell/MHEC Collaborative Program, Oracle, and Open Systems.
3. Based on premium and loss information as of June 30, 2012.
4. Other initiatives are sunsetted programs: office products, telecommunications, equipment maintenance, academic scheduling, interactive video, and APN.
5. Student tuition savings through the academic year 2011-2012.
6. Iowa State University asked MHEC to bid their property insurance for FY 2009. The MHEC bid, with a much lower deductible, was \$186,205 less per year than ISU was paying. ISU selected their current carrier at a price of \$858,824 or \$201,532 less than paid in FY 2008.
7. In 2009 the SD Office of Risk Management requested a quote for for property insurance at its six SD Regent institutions. Even though the SD Office of Risk Management kept its current carrier, they indicated the MHEC quote saved the institutions about \$85,000. In 2012, another quote request was made, resulting in an additional savings to SD totalling \$239,302 for 2012-2013.



The Midwestern Higher Education Compact (MHEC) is one of four statutorily-created interstate compacts. Founded in 1991, MHEC serves Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

MHEC contributes to the vitality of the Midwest by enhancing member states' ability to maximize higher education opportunity and performance through collaboration and resource sharing.

We deliver this promise through three core functions of student access, cost savings and policy research that

- promote improved student access, affordability and completion;
- reduce operational costs;
- analyze public policy and facilitate information exchange;
- enhance regional higher education cooperation and dialogue; and
- encourage quality programs and services.

Each member state appoints five individuals to a 60-member governing body of legislators, higher education leaders, and governors' representatives. Member state obligations, program fees, and foundation grants finance MHEC activities and support initiatives to increase regional collaboration and achieve outcomes that could not be realized by institutions and systems acting independently.

Visit <http://www.mhectech.org>

MHEC's electronic commerce site offers information on eligibility to purchase from MHEC's vendor partners.

For additional information, contact MHEC at:
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Minneapolis, MN 55401
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E-mail: mhec@mhec.org Web: www.mhec.org

Doing more together to deliver cost savings and the best solutions



Visit
<http://www.mhectech.org>
to access
cost savings programs
with industry-leading
technology companies.

Computers:

Dell, Fujitsu, Oracle (formerly Sun), Systemax

Software:

Novell, Oracle

Printers & Peripherals:

Dell, Xerox

Data & Voice Networking:

Alcatel-Lucent, Enterasys, Juniper

Security Event & Information Management:

eiQ networks, Novell

Cloud Services & Wireless Hardware

Coming in 2012.

MHEC vendor listing current as of 9/1/2012

Q. Why purchase collaboratively?

A. Education and government entities are continually being forced to find ways to contain or reduce their costs at the same time they push to maintain or increase their productivity. The Midwestern Higher Education Compact (MHEC) was established in part to achieve these objectives.

One of the goals of MHEC is to help institutions enhance productivity through reductions in operational costs. MHEC is able to further this goal through the creation of group aggregation programs that reduce costs and bring value-added benefits to the institution in MHEC member states.

Q. Who is eligible to purchase?

A. MHEC has been able to extend technology cost savings to higher education and in some instances this includes K-12 districts and schools, state and local governments, and not-for-profit entities. Vendors have been able to offer pricing discounts for institutions and depending on the vendor – their faculty, staff, and students. MHEC member states saved over \$26 million on technology in FY 2011.

Q. How do I confirm eligibility to purchase from MHEC contracts?

A. On MHEC's e-commerce website – <http://www.mhetectech.org> – a matrix is available for each vendor, offering a link to eligible parties. A link to the contract page also has pdfs available for download of each legal agreement.

As an instrumentality of state government, MHEC is required to follow extensive competitive procurement processes similar to its member states. Through its committees, MHEC undertakes the time and expense of the RFP process, thereby freeing up education and government entities of this burden. The participating entities can purchase the good or service through the MHEC program knowing that the due diligence in selecting the vendor has already been done.

Q. What makes MHEC contracts unique?

A. All programs are developed, implemented and overseen by volunteer committees. The committees are made up of representative groups of individuals from all sectors of higher education, and also include representatives who work for the state or like-minded organizations. The individuals are nominated to serve on the committees by their peers and are considered experts in the particular field the program is addressing.

Working together, the committee members identify the criteria and standards they want included in any program that is being considered. These criteria and standards are purposefully tailored to match the requirements needed by Midwestern higher education.

While the focus is to get the best cost savings deal, MHEC looks beyond savings benefits to bring additional service commitments from the vendor back to the institution or organization, such as:

1. Delineating features, standards, and capabilities sought by higher education;
2. Providing independent evaluation and documentation of products and services;
3. Increasing the number and range of options from which entities can choose;
4. Increasing the quality and quantity of service offerings;
5. Reducing the duplication of efforts;
6. Improving educational efficiency and/or effectiveness;
7. Providing MHEC contracts as a base for special purchases such as standard configurations, large volumes, or vendor exclusivity; and
8. Providing vendors and entities a convenient purchase vehicle to use with or without an RFP.

Q. Is this just for MHEC member states?

A. No, MHEC has proven its success in cost savings and thusly been able to extend some contracts beyond the MHEC region. MHEC's ability to extend the contracts beyond its 12-state region helps increase volume for the vendors and therefore increases the savings benefits for MHEC states and beyond.

Please check the eligibility matrix on vendor pages at <http://www.mhetectech.org>.

A MIDWESTERN HIGHER
EDUCATION COMPACT
PROGRAM

www.mhec.org/mpp

Master Property Program



For all 2-year, 4-year, public or not-for-profit private
institutions of higher education

MHEC Master Property Program Mission Statement

*To maintain its leadership position as
the premier property insurance program
for MHEC and its program partners by
continually striving for superior program
value, coverage, loss control, knowledge
sharing, and stability.*



Dear Prospective Member:

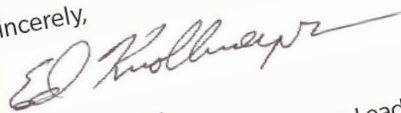
Thank you for your interest in the Master Property Program (MPP). If your institution is like most these days, you're often being forced to address revenue shortfalls while your budget continues to shrink. This is no small feat in a challenging economy. In addition, institutions have also raised tuition and fees and meanwhile they are delaying deferred maintenance projects, cutting staff, and reducing contingent faculty positions. Even more recently, institutions have also reduced services that benefit students - just to name a few cost cutting measures. Some institutions have relied on federal stimulus as a short-term strategy but now are becoming concerned about how these funds will be replaced when it is depleted.

As a risk manager for a university system here in the Midwest, I recognize the challenges you may be facing. I also know that these are not challenges unique to a large university system, nor are they defined by state or region. They are affecting all sizes of institutions across the United States.

I hope you will give careful consideration to the Master Property Program as a cost-savings alternative for your college or university. This unique property insurance program offers you solutions to protect the assets of your institution.

Please also feel free to reach out to me, or a participating MPP institution as a reference when you are considering your institution's insurance options. One of the most amazing things about this program is not only the cooperative purchasing of insurance but the unique make-up of risk managers and campus business officers and the ability to reach out to a peer at another institution that might be facing the same challenges on their campus.

Sincerely,



Ed Knollmeyer,
Chair Master Property Program Leadership Committee and
Director of Risk and Insurance Management, University of Missouri System

MHEC

Mission, Goals, and Structure

The Midwestern Higher Education Compact (MHEC) was established in 1994 to broaden property insurance coverage, reduce costs, and encourage improved asset protection strategies for colleges and universities in the twelve member states of the compact.

Since its inception, the program has evolved to be a premiere property program for institutions of higher education focused on strategic growth, program stability, and creating member value.

The goals of the program are to secure broad insurance coverage and services to meet the special needs of its participating member institutions; to reduce program costs; to stabilize costs over time; and to provide dividend returns when loss experience is favorable.

Coverage and service are the hallmarks of the MHEC Master Property Program. The program's broad manuscript form is responsive to higher education's unique property exposures while remaining flexible to meet individual member needs.

The program provides excellent engineering and loss control services tailored to the requirements and interests of each member institution as well as to the group as a whole. These services help institutions safeguard their capital assets and protect the long-term stability of the program.

The program prides itself on assisting institutions with quality and timely claims service when catastrophic and non-catastrophic claims occur. The program's Leadership Committee conducts ongoing evaluations of carrier responsiveness to incurred losses, recovery processes, and settlements.

While the current program is sponsored by MHEC, it is overseen and directed by a committee of representatives from the member institutions. It is underwritten by insurance companies selected by the participating institutions and administered by the service team of Marsh and Captive Resources LLC. MHEC provides the program coordination, member advocacy, and staff support.

The program carriers and service team have served the program exceptionally well over the past several years and have achieved an excellent record of maintaining outstanding coverage and services at competitive rates.

Program Structure

Each member institution retains an individual deductible

OPTIONAL LAYER (3 Members participate)	\$250,000,000 Excess Layer Per Occurrence (shared)
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OPTIONAL LAYER (3 Members participate)	\$250,000,000 Excess Layer Per Occurrence (shared)
OPTIONAL LAYER (10 Members participate)	\$500,000,000 Excess Layer Per Occurrence (shared)
BASE PROGRAM (all members are required to participate)	\$400,000,000 Excess Layer Per Occurrence (shared)
	\$100,000,000 Primary layer Per Occurrence (dedicated per member)
	\$1,000,000 Captive layer Per Occurrence (subject to an annual aggregate)
	\$25,000 Minimum Deductible (member deductibles vary)

that is applied to each claim. Excess of the member deductible, the group loss fund is responsible for the next \$1 million of loss per occurrence subject to an annual aggregate of \$7,651,499 (as of July 1, 2012).

Any loss above the loss fund is the responsibility of the program insurers, as detailed above in the program structure. If the loss fund is depleted in any given year, the primary insurer automatically drops down and provides primary insurance directly in excess of the members' individual deductible. In addition, there is no mid-term assessment.

Participation

Since its inception in 1994, colleges and universities of all sizes and types have joined the program. The group shares a common commitment towards excellence in campus risk management practices and a desire to work together for the mutual benefit of all members and the program.

The group welcomes new collegiate members who have implemented good risk management practices on their campuses, who have taken preventative measures to reduce avoidable losses over the years, and is interested in the overall mission of the program.

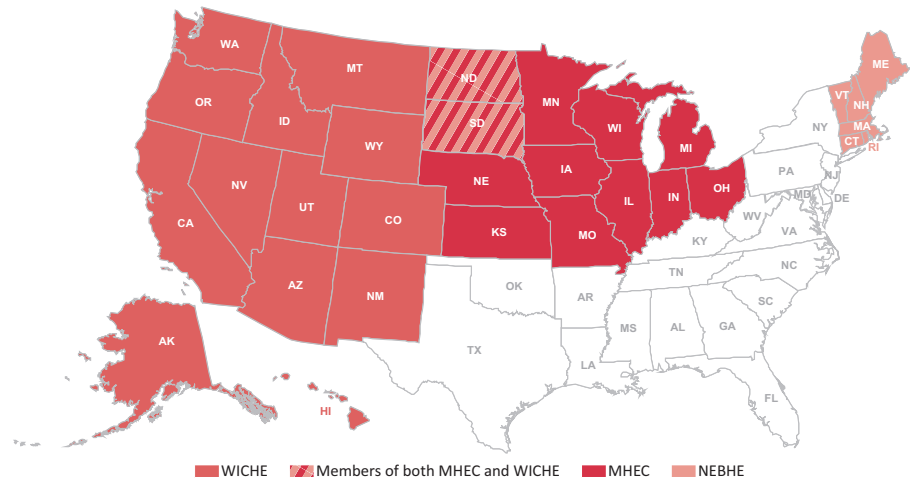
Public and private not-for-profit colleges, universities – including community and technical colleges – in MHEC Compact states are invited to apply for admission to the MHEC Master Property Program. Acceptance is contingent upon approval by the program's Underwriting Subcommittee.

A June 2004 agreement between MHEC and the Western Interstate Commission for Higher Education (WICHE) makes the program available to institutions in the West. Likewise, a June 2009 agreement between MHEC and the New England Board of Higher Education (NEBHE) makes the program available to the institutions in New England.

Institutions in states where an agreement between compacts does not already exist, entities are eligible to be afforded status as associates of MHEC in accordance with the policies and procedures approved by the commission (MHEC's governing board).

After approval from the commission, an entity outside of a MHEC state can become a MHEC Associate through a \$50,000 payment to MHEC. The payment, which is required annually, can be made through any of the following methods:

- » Direct \$50,000 payment to MHEC;
- » Over the course of a single year, the accumulation of \$50,000 in program administration fees to MHEC through participation in MHEC procurement programs (i.e., use of MHEC contracts); or
- » Any combination of payments through the two options listed above that results in a \$50,000 payment to MHEC.



A MHEC Associate status allows participation in all applicable MHEC procurement programs (i.e., use of MHEC contracts). MHEC Associate status may allow for participation in procurement program committee governance, depending upon established program specific governance criteria.

MHEC Associate Status does not allow:

- » Any MHEC governance rights;
- » Guaranteed participation in MHEC commission meetings, including paid cost of attendance by MHEC;
- » Participation in MHEC Student Exchange Program; or
- » Any other rights conferred on Compact or Affiliate members.

As of the July 2012 renewal, 53 member institutions, which equates to over 100 campuses, participate in the program. The endorsed program underwriters provide insurance coverage for the participating institutions with total insured values of approximately \$82.9 billion.

Under the auspices of the Midwestern Higher Education Compact, MHEC periodically issues a Request For Proposal (RFP) on behalf of the participating institutions. Proposals are reviewed and endorsed carriers, vendors and/or service providers are selected by the participating institutions.

Program Costs

Rate

The Base Program rate has averaged 0.0278% over the past five years. This rate reflects all costs for participation in the Base Program, which includes potential total limits of \$501 million. Also included in this rate is the cost for loss control services and risk reports that are the member’s property.

Members also have the option to purchase additional layers up to \$1.75 billion, based on their needs. The costs of these layers are allocated based upon member participation and typically benchmark below industry averages.

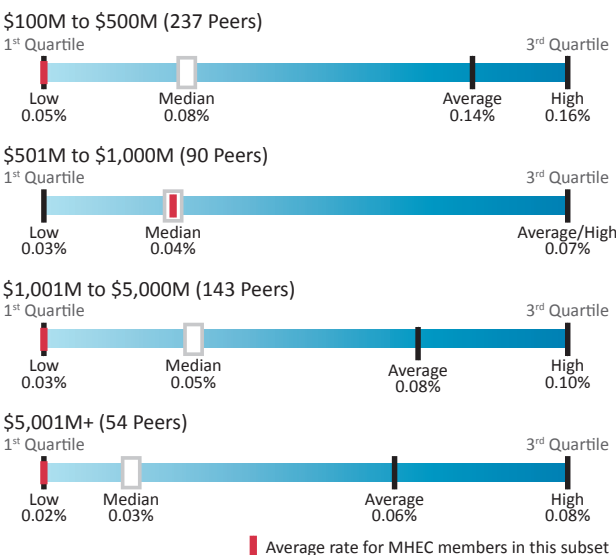
Allocation

Costs for the Base Program are allocated using a formula developed by the MHEC Leadership Committee and approved by the MHEC membership. The allocation contemplates insured values, the average program rate, exposure to natural hazards, size of the institution, and each member’s specific loss history and deductible. The allocation methodology is reviewed periodically to ensure equitability for all participating members of the program as well as adherence to the program’s strategic mission.

Benchmarking

MHEC members enjoy low rates relative to their peers. This is demonstrated by Marsh’s proprietary benchmarking database, one of the largest in the industry.

Total Insured Values



Dividend Distribution

Underwriting profit in the Master Property Program is a direct result of the participating institutions’ efforts to control and manage their property claims. The Leadership Committee is proud that the participants of this program are able to realize a positive gain from their insurance expense dollars. Continued management of property exposures and claims that do occur, should continue to produce returns for all members.

2012	\$384,048	50 eligible institutions
2011	\$50,900	46 eligible institutions
2010	\$904,469	46 eligible institutions
2009	\$1,360,208	47 eligible institutions
2008	\$1,574,787	36 eligible institutions
2007	\$1,863,801	37 eligible institutions
2006	\$3,086,806	36 eligible institutions
2005	\$2,576,309	36 eligible institutions
2004	\$1,707,865	33 eligible institutions
2003	\$418,294	23 eligible institutions

Total Dividends Paid: \$13,927,487

MPP Coverage

Due to the size of the insured group, the Master Property Program is able to provide a very broad coverage form, with opportunities for individual members to acquire additional coverage to meet special needs and circumstances. Currently, the basic coverage for all members includes:

Program Limits Available:

- » \$500M Limit in Base Program
- » \$500M Excess of \$500M (optional)
- » \$250M Excess of \$1B (optional)
- » \$250M Excess of \$1.25B (optional)
- » \$250M Excess of \$1.50B (optional)

Program Sublimits:

- » \$250M Terrorism (\$100M on primary/\$250M on shared excess policy)
- » \$100M Earthquake, Annual Aggregate, excluding locations in California
- » \$100M per occurrence and annual aggregate as respects the peril of flood including a reduced limit of \$50M per occurrence and annual aggregate at locations situated wholly or partially within an area identified as a Special Flood Hazard Area (SFHA) by the Federal Emergency Management Agency (FEMA).
- » \$100M for Boiler & Machinery coverage, subject to sublimits of \$5M for each of the following – Perishable Goods; Hazardous Substance; EDP (including data restoration); Expediting Expense and CFC Refrigerants \$100M Automatic Coverage for 90 days
- » \$25M Miscellaneous Unscheduled Property in the United States or Canada
- » \$25M Soft costs
- » \$50M Civil Military Authority (30-day period)
- » \$50M Ingress/Egress (30-day period)
- » \$25M Mold occurring as a direct result of a covered loss
- » \$25M Service Interruption – property damage and time element
- » \$25M Contingent Time Element
- » \$25M Transit

- » \$5M Personal Property situated outside the United States and Canada
- » \$2.5M Personal Property of students and patients, per occurrence subject to a maximum of \$25K per student or patient
- » \$2.5M Animal Research
- » \$1M Computer Systems Damages
- » \$1M Pollutant Clean-up, Annual Aggregate
- » \$1M Upgrade to Green

Engineering Services

The Master Property Program (MPP) Engineering Program has been custom designed to meet the needs of all members with the following goals in mind:

- » Promote Loss Prevention and Fire Protection Awareness
- » Reduce Total Cost of Risk
- » Obtain Insurance Marketing Data
- » Drive Code Compliance & Insurance Acceptance
- » Be Owner Driven and Contain Maximum Flexibility for Members
- » Provide a Common Sense and Practical Approach to Loss Prevention
- » Create Cost Savings and Reduce Administrative Time, Frustration, and Money

The Engineering/Loss Control program is managed by program participants through the Loss Control Subcommittee in coordination with Marsh Risk Consulting. The administration of services and program consulting is supported through Marsh Risk Consulting. The program utilizes the vendors/partners Global Risk Consultants (GRC), Hartford Steam Boiler (HSB) and CBIZ Valuation Group (CBIZ) to provide inspections services and support.

Property Loss Prevention/Control Surveys

Loss prevention/fire protection surveys are a fundamental component of the Loss Control Program. The primary purpose of these surveys is to identify risk exposures and provide risk advice that supports the programs goals and objectives. Some of the key components of these surveys include collection of COPE occupancy, protection,

and exposure information, development of detailed loss estimates, documenting current conditions and risk improvements at each location, and providing appropriate recommendations for improvement based on applicable industry (NFPA, FM, etc.) or higher education guidelines/ best practices.

“As one of the smaller institution members in the Master Property Program, we’re able to access coverage and service that we couldn’t afford otherwise. The Loss Control Workshop also provides a great forum to learn from others and allows me to network with my peers.”

*-Thomas D. Clayton, Insurance and Risk Manager,
Johnson County Community College, KS*

Loss prevention/fire protection surveys for members are provided based on the following criteria:

Campus and TIVs	Visit Frequency to Campus	Buildings to Be Surveyed (by TIV)
Main Campus		
More than \$1B	Annually	Above \$100M annually Above \$50M every 2 years Above \$25M every 3 years
\$500M–\$1B	Annually	Above \$25M annually Above \$10M every 2 years
Less than \$500M	Annually	Above \$5M annually
Satellite Campus		
More than \$1B	Annually	Above \$100M annually Above \$50M every 2 years Above \$25M every 3 years
\$500M–\$1B	Annually	Above \$25M annually Above \$10M every 2 years
Less than \$500M	Above \$50M annually Above \$50M every 2 years Above \$5M every 3 years	Above \$5M annually

Electronic follow-up on all outstanding OPEN recommendations is provided to all members. This includes a request for responses to these recommendations through a web based interface. An e-mail will be sent to local risk management of each campus with a link to the

website within days of the survey report’s transmission asking for responses within 30 days (per MPP guidelines). Additional e-mails are sent at 60 and 90 days if responses are not received with a final notification to the MPP Leadership Team after 120 days.

New Construction/Renovation Project Reviews

The MPP Leadership Team has requested that each member provide engineering specifications for all major remodel and new construction projects in advance of their inception into the MPP. The primary purpose is to allow for review and comment of property insurance-related recommendations for possible inclusion in the project.

These “pre-construction” reviews can help to prevent potential costly retrofits after the fact and can also identify other loss prevention “best practices” that should be considered as part of any major project. In some cases, these reviews include items beyond those of simple building and fire codes, but are in line with those requirements of property insurance carriers. The areas of concern include fire protection, water supplies, materials of construction, hazardous processes, natural hazards, miscellaneous exposures, etc. The review and/or specifications will be tailored to each project with the intent of providing an acceptable level of protection, yet at a cost-effective price.

The MPP Engineering Program administrators will work with the architects, contractors, local authorities having jurisdiction, etc. during the course of the project to help resolve any issues that may arise. You can contact the MPP Engineering Program administrators at any time to determine the proper timing for these reviews.

Fire Protection System Plan Reviews

Fire protection system plan review services for major upgrade or new installation projects are also provided to members. Plans to be reviewed are specific shop drawings for fire pump, automatic sprinkler, fire alarm and roofing installations. This service is recommended for each university to ensure adequate property loss prevention and control measures are considered/incorporated into each project. Forward all information to your MPP Engineering Program administrators.

Fire Protection Impairments

An impairment monitoring program is provided to members to monitor all impairments to fire protection/

detection systems. This program is recommended for all members, regardless of any local programs in place in order to standardize the approach towards these potentially critical exposures.

Electrical Equipment Loss Prevention/Control Services

The engineering/loss control program provides members the option of two electrical loss prevention/control services listed below for the 2012-13 policy term. Each MPP member will be allotted one (1) service “bundle”, while larger institutions in excess of \$1.5 billion in TIV will be allotted a second “bundle”. A “bundle” consists of two (2) days of on-campus infrared (thermographic) scanning of your electrical equipment OR a single day of arc-flash training for your electrical, maintenance, and facilities staff (of your choosing). Please contact your MPP Engineering Program administrators to determine which of these services you would prefer for your institution.

Infrared Thermographic Inspection: This service includes two (2) days of on-site infrared scanning of major electrical equipment and an accompanying field report complete with photographs and analysis.

Arc Flash Training: An introduction and instruction on proper arc flash safety. It provides literature for reproduction for each attendee taking the training and the services of a qualified engineer/instructor. Course materials will provide an overview of the regulatory climate, changes to the National Electric Code, and NFPA 70E, as well as a review of current industry practices. The training will also cover arc flash hazard risks, personal protective equipment selection guidelines, equipment labeling requirements and suggestions to improve safety while working around live electrical equipment. This course can be tailored to suit the member’s time constraints with a maximum class size of approximately 15-20 people.

Boiler and Machinery Jurisdictional Inspections

The Hartford Steam Boiler Inspection & Insurance Company (HSB) conducts boiler and machinery jurisdictional inspections. HSB is the largest authorized inspection agency in the world with over 500 national board and state certified inspectors. Inspections should be coordinated by all MPP members directly through HSB’s hotline, 800-333-4677 or NSCINSP_HOTLINE@hsb.com.

Machinery and Equipment Risk Assessments

HSB also provides members with the option to have a detailed Machinery and Equipment Risk Assessment conducted at their facilities. These risk assessments are similar in process to the fire protection surveys but will focus specifically on critical machinery and equipment risk exposures and offer advice for potential improvements. Select members may be targeted for these evaluations due to specific large/critical equipment which will support underwriting purposes. Surveys can be requested anytime at no additional fee. Please contact your MPP Engineering Program Administrators to request a survey or for more information.

Natural Catastrophe Program Studies

The MPP Engineering Program administrators will provide natural catastrophe studies for tornado exposures for the entire MPP portfolio of members on a tri-annual basis. Process deliverables include a detail report detailing the results of the studies. Individual members can also contract with the MPP Engineering Program administrators to provide more specialized analysis of their individual exposures to hazards, such as earthquake, windstorm, etc. as necessary. There is a separate fee for those services.

Appraisal Services

MHEC has formed a vendor alliance with CBIZ Valuation Group, LLC to perform property valuation services at the request of members for a fee. Interested members can receive the latest building valuations, ranging from simple desktop reviews, to more advanced site-level building assessments and appraisals, as well as specialty services, if needed, for rare books, libraries, ornate buildings, etc. Costs vary depending upon the level of services requested, but have been previously negotiated to be extremely competitive. All appraisal requests should be made through CBIZ directly. If you have any questions regarding this service, please contact your MPP Engineering Program Administrators.

MHEC Loss Control Workshop

MHEC hosts an Annual Loss Control Workshop each year in the spring. The 2013 Workshop will be held in St. Louis, MO, from March 5-7. All members are invited to attend and participate. Various topics from the above engineering vendors are presented, along with other fire protection/loss prevention/emergency response/risk management

topics relating to higher education institutions. This is an excellent forum to meet and interact with other MHEC, NEBHE, and WICHE members, the engineering services vendors, as well as noted experts in many fields affecting higher education institutions.

Claims Handling and Advocacy

As with the Engineering Services, Marsh and Captive Resources LLC in conjunction with MHEC agreed to unbundle the claims handling services to ease the reporting and documenting of claims for the member institutions.

As a result, Cunningham Lindsey International was appointed as the independent adjusting company that will handle all property claims for member institutions.

When selecting the claims handling partner, the following goals and objectives were followed:

- » Single-source reporting
- » Experienced claims administrator
- » Adjusting offices close to member institution locations
- » Member advocacy by Marsh and Captive Resources
- » Timely resolution of any property claim

Each member is required to report any loss that exceeds 50% of the member's institutional deductible directly to CLI's coordinating office. Once reported, MHEC's CLI coordinator will assign the loss to the CLI office closest to the loss location. In the event of a serious or complex loss, the CLI coordinating office will handle it in coordination with Marsh.

If a loss has resulted from equipment breakdown (boiler and machinery), the loss will then be forwarded to Hartford Steam Boiler (HSB) for expert handling.

The designated adjuster, either CLI or HSB, will contact the appropriate individual at the loss location, inspect the loss, report to interested underwriters, work with the loss location designee to arrange for experts when needed, and be the conduit through whom loss payments will flow.

In the event there is a dispute over coverage, the amount of the loss, question surrounding the claim, a need for securing interim payments, or any other issues that may arise, Marsh-Cleveland or Captive Resources may be contacted to act as an advocate for the institution.

Loss information received from the carriers is continually reviewed by Captive Resources and distributed quarterly to the membership through the MHEC website. Captive Resources also prepares and includes a loss history analysis by policy period indicating the distribution of losses falling within the MHEC captive layer.

Members may also contact Marsh in concert with Captive Resources at any time to strategize on claims issues, discuss claims that do not reach the captive or carrier layers, or even discuss claims scenarios to determine how coverage might apply.

Additional Program Benefits

- » Broad coverage template tailored specifically for higher education institutions (manuscript policy)
- » Funded deductible with potential dividend returns when loss experience is favorable; no additional funding required if loss fund is exhausted in any given policy year
- » Exemplary engineering, claims advocacy, and risk management advisory services that are member driven
- » Member owned information centrally located on an engineering website tailored to the members, containing COPE data for all campuses, recommendations, and data reports
- » Program ownership vested with participating institutions
- » A central communication system — online discussion — is accessible to members on MHEC's website and includes: updates on upcoming meetings as well as a running history of past communication, the loss history analysis, renewal information, engineering information, the Annual Loss Control Workshop and more
- » A website that provides members with 24/7 access to program information
- » Group leveraging power to assure optimal services and reduced premium costs while maintaining member value
- » Capacity to creatively respond to changing market conditions, which promotes program stability
- » Information sharing and idea exchanges among participating institutions, including a program newsletter

Underwriting

Guidelines for Requesting a Quotation from the MHEC Master Property Program

The Program Administrator will require potential members of the program to provide the following information at least 60 days prior to their renewal date to be considered for the MHEC Master Property Program:

- » **Statement of Insurable Values (SOV)** — SOV must be in an excel format and should include replacement cost values for buildings, contents, fine arts, and library values. Contents, fine arts and library values are to be listed with the building in which the values are located.
- » **COPE Information** — The SOV should also include the following COPE information (refer to sample SOV):
 - Construction type
 - Year Built
 - Year of last major upgrade
 - Gross square footage
 - Alarms
 - # of stories above grade
 - # of stories below grade
 - Predominant occupancy
 - % of s.f. sprinklered
- » **Business Interruption (BI) Worksheet** — If a worksheet is not provided, the program will compare the BI values to the building values reported and will require that the BI values be at least 7% of the building values.
- » **5-Year Loss History** — It is preferred that the Loss History be provided in an excel worksheet, and include 5-years of gross losses.
- » **Loss Control Reports** — Prospective members are asked to provide any available loss control reports.
- » **Hot Works Program** — The program requires that a member institution has a Hot Works Program in place. If your institution has a program, you are asked to provide your program. If you do not, the Program will work with you to implement a Hot Works Program should you join the program.
- » **Deductible** — A prospective member is to request the deductible options to be considered, reminder minimum for all coverages is \$25,000. Based on the risk profile, Program Administration may require higher deductibles or offer alternatives for consideration.
- » **Layer Options** — The program requires that all members participate in the “base” program (\$500 million policy limit); however, additional layers are available (refer to program brochure). Prospective members are to request layer options to be considered at time of submitting their information for a quote.
- » **Named Insureds** — Should a prospective member choose to join the program, they will be required to provide the Program Administration the insureds that should be included.
- » **Confidentiality Statement** — Prospective institution and local broker (if applicable) must sign the Program’s Confidentiality Statement before receiving any additional information and quote. If Marsh is the local broker, they are bound by the MHEC-Marsh Client Service Agreement.
- » **Overview** — Prospective institution and local broker (if applicable) must attend program overview prior to receiving a quote.
- » **Quoting Fee** — Prospective institutions will receive their first quote free. In the event, they do not join and re-approach the program within three (3) years, they will be charged the quoting fee (this is being built into the Program brochure and overview).

Frequently Asked Questions

Question: What if my renewal date is not July 1?

Answer: Your program costs are pro-rated for the first year up to the July 1 renewal date; then you will be asked to modify your renewal date to coincide with the entire group (July 1).

Question: Can I retain my local broker?

Answer: Each institution, at their own discretion, may choose to retain a local broker to work in conjunction with the Program's administrative team. A number of member institutions solicit the services of a local broker while several others do not. The local broker does not have to be affiliated with Marsh, the program administrator. We would be happy to put you in contact with a local broker and client of the Master Property Program.

Question: How are the dividends distributed among the institutions?

Answer: Program participants approved a formula that takes into account each individual institution's portion of the remaining loss fund to determine the distribution of end-of-year loss fund balances and interest income. After accounting for all losses and expenses, a dividend will be available for distribution to the program participants no sooner than 12 months after the close of the underwriting year, based on the recommendation of the Master Property Program Leadership Committee. At the request of the member institutions, the MHEC service team is currently working with the Leadership Committee to develop strategies to utilize previous and future loss fund dividends to strengthen and grow the loss fund over time. Institutions that leave the program forfeit a portion of their remaining equity (if any) based on years of participation, in the Master Property Program.

MHEC Participating Institutions

ILLINOIS

Aurora University
IPHEC (Illinois Public Higher Education Cooperative)
Chicago State University
Eastern Illinois University
Governors State University
Illinois State University
Northeastern Illinois University
Northern Illinois University
Southern Illinois University
University of Illinois
Western Illinois University
Loyola University of Chicago
Roosevelt University

INDIANA

Indiana Wesleyan University

KANSAS

Friends University
Johnson County Community College
Washburn University

MICHIGAN

M.U.S.I.C. (Michigan University Self-Insurance Corporation)
Central Michigan University
Eastern Michigan University
Ferris State University
Grand Valley State University
Lake Superior State University
Michigan Technological University
Northern Michigan University
Oakland University
Saginaw Valley State University
Western Michigan University

MINNESOTA

University of Minnesota

MISSOURI

Missouri State System
Harris-Stowe State University
Lincoln University
Missouri Southern State University
Missouri State University
Missouri Western State University
Northwest Missouri State University
Southeast Missouri State University
Truman State University
University of Central Missouri
Saint Louis Community College
University of Missouri

NEBRASKA

Nebraska State College System
University of Nebraska

WICHE Participating Institutions

ARIZONA

Pima County Community College District

COLORADO

Colorado College
University of Northern Colorado

IDAHO

The College of Idaho

NEVADA

Nevada System of Higher Education (NSHE)
College of Southern Nevada
Desert Research Institute
Great Basin College
Nevada State College at Henderson
Truckee Meadows Community College
University of Nevada
Western Nevada College

OREGON

Lewis and Clark College
Reed College
Willamette University

UTAH

Westminster College

WASHINGTON

Seattle Pacific University

WYOMING

University of Wyoming

NEBHE Participating Institutions

MAINE

University of Maine System

MASSACHUSETTS

Clark University

**Achieving Together
What We Cannot Do Alone**

PHARMACY BENEFIT COALITION PROGRAM

In keeping with its mission, the
Midwestern Higher Education
Compact has launched a new
initiative targeting the cost of
prescription benefits - one of
the fastest growing segments of
health expenditures.

Brought to you by:



National Cooperative 





PHARMACY BENEFIT COALITION PROGRAM

The high cost of health benefits is a priority issue for the education and government entities located in the member states that make up the Midwestern Higher Education Compact (MHEC). We can help address it by aggregating our purchasing power to negotiate lower costs, better quality and a higher level of service for prescription benefits.

National CooperativeRx is a unique, member-owned coalition of employers and organizations that work together to improve the value of pharmacy benefits. MHEC has joined their forces through our Pharmacy Benefit Coalition Program. We hope you will take the time to get to know them and what they can offer your plan.

Partners Working Together to Achieve Mutual Goals

The histories and mission of National CooperativeRx and the Midwestern Higher Education Compact are strikingly similar. Both organizations were founded to bring increased value and to improve service to their members. MHEC serves public and private not-for-profit postsecondary institutions, K-12 districts and schools, state and local governments in the Midwestern states of: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. National CooperativeRx serves hundreds of public and private employers and organizations across the United States, including the Wisconsin Association of Independent Colleges and Universities, the Wisconsin Educational Association Trust and the Illinois-based Employers Coalition on Health.

MHEC has launched the Pharmacy Benefit Coalition Program to provide the education and government entities in its twelve Midwestern member states with a lower cost prescription drug benefit and cost-savings that could only be achieved by working collaboratively. Following a competitive bid process, MHEC has endorsed National CooperativeRx because of their impressive accomplishments, innovative programs and a mission parallel to its own.



The Cooperative Difference

National CooperativeRx is a unique solution for employers and organizations seeking higher value pharmaceutical benefits for employees and dependents. As the name implies, National CooperativeRx is a not-for-profit cooperative, wholly owned and governed by the businesses, labor organizations and governmental entities that have joined the coalition.

This innovative business model allows the coalition to focus on issues important to health plans, namely cost savings, accountability, service and the support needed to help employees stay healthy. Aggregated purchasing power gives all cooperative members, regardless of size or revenue, access to deep drug discounts and enhanced clinical programs typically offered only to the largest companies in the nation.



National CooperativeRx performs three critical roles for health plans:

1. **It aggregates purchasing power and expertly negotiates a master contract with a pharmacy benefit manager (PBM).** National CooperativeRx undergoes a competitive bid process on a regular basis to ensure best in class pricing, and then negotiates an industry-leading contract that fully utilizes the cooperative's combined purchasing power. As the cooperative has grown, it has also been able to renegotiate contract terms to lower costs and bring additional cutting-edge clinical programs to members at no or low cost.
2. **It serves as members' watchdog.** Coalition members can be confident they receive one hundred percent of the financial guarantees and rebates they have earned. Members see every part of the relationship between expenditures and benefits, and the cooperative retains independent firms to conduct ongoing audits of all member claims for financial accuracy. In the complex world of pharmacy benefits, this is nearly as important as negotiating a sound contract – and one hundred percent of savings recovered go directly to members.
3. **It provides specialized expertise and consultative services.** Not only are pharmacy benefits complex, they are also dynamic. An employer would need a dedicated staff to keep up with all the changes that make pharmacy costs one of the biggest cost drivers in health benefits.

National CooperativeRx was created by employers to be their dedicated staff of experts in this area. They analyze data, educate our members and recommend ways plans can better control costs. They provide tools to help your plan sponsors be the best consumers of pharmacy benefits they can be, ensuring they receive the right drug at the right time and place.

National CooperativeRx also tests clinical programs for effectiveness and when they are proven effective, they provide them at no cost to members. That's how they've been successful in "bending the trend" for the coalition, with an average annual trend of .33 percent over the past five years.

In summary, National CooperativeRx offers plans the best of two worlds: the purchasing power, benefits flexibility and comprehensive network that comes via a partnership with the nation's largest pharmacy provider AND the individualized attention and commitment to service that a not-for-profit team of experts bring. Plus, it's a solution plans can trust, because they own it.



We welcome your questions!

866-679-9479 | www.nationalcooperativerx.com/employers/MHEC



How to Join

WisconsinRx/National CooperativeRx is open to public and private health plans and coalitions looking for greater value by carving out their drug spend.

The first step to taking ownership in National CooperativeRx is to contact them for a consultation so they can lay out a comparison between their offerings and your current plan. It is important to them that plan sponsors understand how they are different, what they can expect to get from membership and what it means to be an owner of a cooperative.

From there, the implementation process is easy. National CooperativeRx will assign a dedicated implementation manager that will guide you through the process offering advice and benchmarks along the way, and coalition staff will work with you and your benefit partners (TPAs, consultants or agents) to ensure a smooth and easy transition. They offer everything from turnkey products to fully customizable solutions and your plan will be set up to your specifications.

For more information, please contact National CooperativeRx at the number below and ask to speak with the Senior Director of Sales or the National Sales Executive.

National Cooperative ™

866-679-9479 | www.nationalcooperativerx.com



Advancing Education Through Cooperation

For more information about the Midwestern
Higher Education Compact, please visit
www.mhec.org or call 612-677-2777.



A STUDENT COLLABORATIVE

Student Health Insurance for the Midwestern Higher Education Compact (MHEC), Western Interstate Commission for Higher Education (WICHE), and New England Board of Higher Education (NEBHE)

A Note about compliance

On March 21, 2012, the Department of Health and Human Services issued final regulations on student health insurance plans. MHECare responded to these regulations and modified benefits for all plans covered, and will continue to monitor how the Patient Protection and Accountable Care Act (PPACA) impacts student plans.

Introducing MHECare

Beginning with the 2012/13 academic year, MHEC, in collaboration with the Student Health Benefits Advisory Committee (SHBAC) and under a grant from the Lumina Foundation, launched MHECare. MHECare was created in response to increasing costs in student health insurance plans and was designed to cover students in member states that participate in MHEC, WICHE and NEBHE. Approximately 12,000 students currently participate in MHECare for the 2012/13 academic year.

In collaboration with Mercer, the program manager and an independent consulting firm, MHEC and the SHBAC developed the key plan design features and selected UnitedHealthcare StudentResources (UHCSR), a division of the national health plan, UnitedHealthcare, to underwrite the program. UHCSR specializes in student health insurance plans, offers UnitedHealthcare's extensive national PPO network, and maintains a robust website that administrators and students can access.

Multiple Plan Options

MHECare offers both standard and customized PPACA compliant plans, depending on the size of the institution and number of students enrolled. For the standard plans, premiums will be community-rated with UHCSR's national book of student claim data.

For the customized plans, premiums will be based on historical claims experience for each school, with the protection of being in a large underwriting pool to help mitigate large claim fluctuations.

Why Join MHECare?

Due Diligence

MHEC has completed its due diligence in selecting Mercer and UHCSR and followed competitive bid practices required by all the states for public institutions. Therefore, a member institution does not need to conduct a formal request for proposal in order to obtain a MHECare quote, saving the institution time and resources.

Independent Oversight

MHEC will provide general oversight of the program and ensure that it continues to meet its mission — advancing education through cooperation.

As the program manager, Mercer brings its broad understanding of health care to the student program along with compliance resources. They will provide independent underwriting and negotiations to assure that rates are competitive and conduct financial analytics of the claim utilization. They will also assist with student and administrative issues when needed.

Stable Rates

Compliance with the PPACA regulations over time are expected to increase student health insurance costs due to the expanded benefits and the potential shift in risk as students make individual decisions about health care coverage. Being in a large underwriting pool can smooth out the impact of catastrophic claims, which are unpredictable, leading to more stable rates with less fluctuation.

Need More Information?

If you have any questions about the program or would like to receive a quote, please contact:

Jennifer Dahlquist
jenniferD@mhec.org
612-677-2762



Midwestern Higher Education Compact
105 Fifth Avenue South, Suite 450, Minneapolis, MN 55401
www.mhec.org



The Value of **HEALTH INSURANCE** **FOR STUDENTS** in Higher Education

The Midwestern Higher Education Compact (MHEC) will launch a student health insurance plan, MHECare, in fall 2012. MHECare was developed to help MHEC members contain health-related costs and to provide students with adequate coverage.¹ This brief presents the value of health insurance coverage, a profile of coverage patterns for higher education students, reviews options for students to obtain coverage, and discusses recommended benefit design considerations.

Acknowledgments



This report was produced by the State Health Access Data Assistance Center (SHADAC) at the University of Minnesota, authored by Karen Soderberg with assistance from Lynn A. Blewett, Ph.D. Please direct any comments about the report or requests for additional information to Jennifer Dahlquist, Assistant Vice President for Cost Savings and Chief Financial Officer for the Midwestern Higher Education Compact at jenniferd@mhec.org. Editorial assistance and publication design was provided by Carr Creatives.

MHECare, developed by the MHEC Student Health Benefits Advisory Committee (SHBAC), is supported by generous funding from Lumina Foundation for Education, an Indianapolis-based private foundation dedicated to expanding access to and success in education beyond high school.

ABOUT THE MIDWESTERN HIGHER EDUCATION COMPACT

The Midwestern Higher Education Compact (MHEC) is a nonprofit regional organization established by compact statute to assist Midwestern states in advancing higher education through interstate cooperation and resource sharing. Member states are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

MHEC seeks to fulfill its interstate mission through programs which:

- enhance productivity through reductions in administrative costs
- encourage student access, completion, and affordability
- facilitate public policy analysis and information exchange
- facilitate regional cooperation
- encourage quality higher education programs and services
- encourage innovation in the delivery of educational services

MHEC LEADERSHIP

Chair: Jeff Haverly, Chair, Government Operations and Audit, South Dakota State Senate
Vice Chair: Randy Ferlic, Regent—University of Nebraska System
Treasurer: Ed Maloney, Chair, Higher Education Committee, Illinois State Senate
President: Larry A. Isaak

From the MHEC President

Dear Colleague,

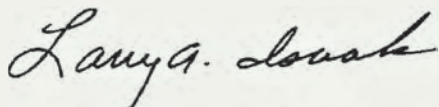
Health insurance coverage is a prominent issue in the United States, with the number of uninsured growing as cost of coverage increases. Post-secondary students are not immune to problems of uninsurance, leaving many vulnerable to the health and financial consequences of being uninsured or having inadequate coverage. In 2010, the Patient Protection and Affordable Care Act enacted significant measures to address problems in accessing health insurance coverage. Despite these measures, many students will still face challenges in obtaining reasonable health insurance coverage.

Poor health insurance coverage—or none at all—is an impediment to student health and well-being, and a potential barrier to achieving a successful post-secondary education. To address the problem of uninsured and underinsured students, the Student Health Benefits Advisory Committee of the Midwestern Higher Education Compact (MHEC), with the support of Lumina Foundation, developed MHECare to provide its colleges and universities a health insurance product for their students with cost-savings that could only be achieved by working collaboratively. MHECare offers vetted and comprehensive health insurance options for students, as well as administrative efficiencies for colleges and universities.

Lumina Foundation, an Indianapolis-based private foundation, is committed to enrolling and graduating more students from college—especially 21st century students: low-income students, students of color, first-generation students and adult learners. Lumina's goal is to increase the percentage of Americans who hold high-quality degrees and credentials to 60% by 2025. Lumina pursues this goal in three ways: by identifying and supporting effective practice, through public policy advocacy, and by using our communications and convening power to build public will for change.

This brief presents existing research and current thinking about the value of health insurance for the students in higher education. Access to health insurance is a public health issue. Health and wellness are key elements in maintaining student productivity and success, and students need access to high quality health coverage at a reasonable price. Colleges and universities need to be accountable to this issue for the sake of their students, and also for their communities that bear the burden of caring for the uninsured. It is also important for our member institutions to take the charge to address these issues, leading our nation toward a future of good health and productivity.

Sincerely,

A handwritten signature in black ink, reading "Larry A. Isaak". The signature is fluid and cursive, with the first name "Larry" and last name "Isaak" clearly legible.

Larry A. Isaak, President
Midwestern Higher Education Compact



Why Health Insurance Matters

Health insurance coverage is an important aspect of individual well-being, in that it supports access to health care services and offers protection from the risk of excessive medical expenses. In the United States, health insurance coverage is typically provided as a benefit for employees and, often, their dependent family members. However, many workers do not have this benefit, are unable to purchase or afford individual coverage, or earn too much income to qualify for public programs. Young adults often fall into ranks of the uninsured. Those aged 18–25 have the highest rate of uninsurance (29.7%) compared to any other age group.² This is due in large part to the transition from dependent coverage or childhood eligibility for public programs, to adulthood and independent living. Young adults are more likely to obtain jobs that don't offer coverage. In many cases they have not yet developed the skills to qualify for higher-level jobs that have this benefit, or opt out of the coverage benefit because they don't see the financial value of insurance.

Healthy students are more productive, have less absenteeism, and can better poise themselves to enter the workforce in good physical and financial health.

Students are not immune to difficulties in obtaining coverage, nor the sense that coverage is a lower budget priority than other daily expenses. However, student health and well-being is an important component of campus life. Healthy students are more productive, have less absenteeism, and can better poise themselves to enter the workforce in good physical and financial health. Research has found that students who report poor health and those with chronic health conditions have lower grade point averages.³ However, many students do not have access to affordable or adequate health insurance coverage, which can counteract their ability to manage their health and their potential for well-being.

The health consequences of being uninsured are well documented in the literature. Uninsured people suffer worse health and die sooner, forego needed care, and lose productivity.^{4,5} Young adults, while generally in better health than the overall population due simply to their young age, are not immune to the problems of uninsurance. Often characterized as “young invincibles,” young adults (including the student population) have lower prevalence of chronic health problems and have had less experience with major health events. However, this does not protect them from fluke medical events such as an accident or unexpected condition that may incur large medical expenses. Such unexpected medical events can result in large medical debt for students and potential uncompensated medical care for medical providers. More than one in four (28%) young adults—including non-students—have been found to have unpaid medical bills.⁶



Nearly one in five post-secondary students do not have health insurance coverage

Students are also at risk of incurring medical events because of their propensity for poor health behaviors and health decision making. Research has found that college students are more likely to develop weight-related behaviors and participate in substance abuse such as alcohol binge drinking.⁷ While health insurance coverage alone is not likely to abate these behaviors, the improved access to health care is likely to result in improved health behaviors. In addition, the risk protection is important for students who make poor behavioral decisions that may result in an accident, such as binge drinking.

Trends in Student Health Insurance Coverage

Nationally and within the 12 MHEC states most students have health insurance coverage. However, coverage rates are lower for students than for the population as a whole. Nearly one in five post-secondary students (18.5%) do not have health insurance coverage, compared to 15.5% for all ages in the United States. Exhibit 1 provides a profile of types of coverage for the total population compared to students attending college in the United States, as well as a subset of the 12 MHEC member states.

Exhibit 1: Health Insurance Coverage for Students, U.S. and MHEC States, 2010

TYPE OF COVERAGE	UNITED STATES		MHEC MEMBER STATES	
	Total Population	Post-Secondary Students	Total Population	Post-Secondary Students
Any Coverage	84.5%	81.5%	87.7%	84.7%
Private Coverage	66.0%	73.2%	70.5%	76.1%
Group Coverage	54.9%	58.9%	59.5%	62.8%
Individual Coverage	12.7%	15.2%	13.5%	15.3%
Public Coverage	29.6%	10.9%	29.5%	11.1%
No Coverage	15.5%	18.5%	12.3%	15.3%

Source: 2010 American Community Survey⁸

Note: Estimates may add to more than 100% because people can have more than one source of coverage.



The demographic profile of uninsured students versus all uninsured in the population is shown in Exhibit 2. Uninsured students are more likely to be female, under 25 years of age, and non-White. Disparities in coverage are also evident by type of institution. Students enrolled in two-year schools are more likely to be non-White.⁹ The higher prevalence of uninsurance among many minority groups suggests that two-year schools are facing a higher prevalence of uninsured students.

Exhibit 2: Demographic Characteristics of the Uninsured, United States, 2010

UNITED STATES		
	Total Population	Post-Secondary Students
Sex		
Male	54.1%	45.1%
Female	45.9%	54.9%
Age		
<25 years	31.4%	53.5%
25 years or older	68.6%	46.5%
Race/Ethnicity		
White alone	44.9%	45.7%
Black alone	14.1%	18.9%
Asian alone	4.9%	8.3%
Multiple/other Non-Hispanic	3.2%	4.0%
Hispanic	32.9%	23.1%
Poverty		
<200% FPL	59.0%	57.6%
200%+ FPL	41.0%	42.4%

Source: 2010 American Community Survey⁶

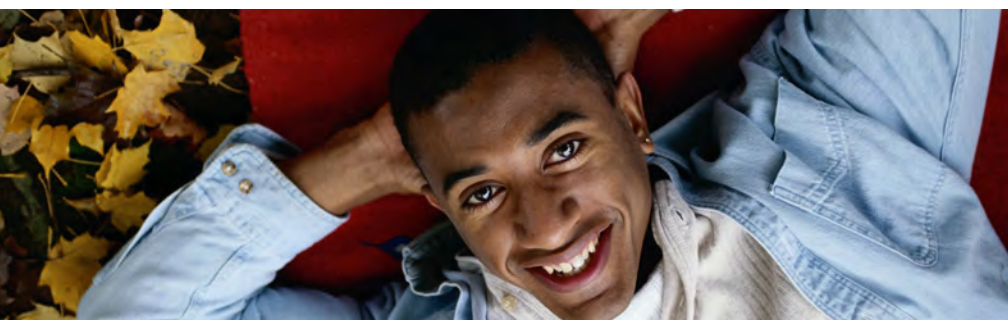
Options for College Student Coverage

Many students have viable options for obtaining health insurance coverage, particularly for those following a traditional path of attending college soon after high school and/or those whose parents can provide coverage. However, non-traditional students and those on tighter budgets face more difficulty with both access to and affordability of health insurance coverage. This section describes the prominent sources of coverage available to students. A summary of the advantages and limitations of each source is presented in Exhibit 3.



Exhibit 3: Summary of Health Insurance Coverage Options for College Students

TYPE OF COVERAGE	ADVANTAGES	LIMITATIONS
Dependent coverage on a parent or guardian's plan	<ul style="list-style-type: none"> Many students have this option available Dependent coverage expansions extended to age 26 for unmarried adults as of fall 2010 	<ul style="list-style-type: none"> Rates of employer-sponsored coverage are declining and employee costs are increasing Co-pay expenses may be high for students attending colleges that are not within the geographic network of the insurance plan Tracking utilization and expenses for health savings accounts is complicated for students attending college out of town
Individual coverage	<ul style="list-style-type: none"> Many insurance companies are developing products that appeal to young healthy adults Many insurers offer several benefit/cost options 	<ul style="list-style-type: none"> Premiums may be prohibitively high for applicants with pre-existing conditions, or coverage may be denied Young adults may be subsidizing a risk pool that includes less healthy members of the general population
High-risk pool plans	<ul style="list-style-type: none"> Available to students who are denied coverage due to pre-existing conditions Available in all states either through a state-run plan or through the new federal Pre-existing Condition Insurance Plan 	<ul style="list-style-type: none"> Premiums may be prohibitively expensive Must not have access to other health insurance including parents' plans Some states require waiting periods
Public programs	<ul style="list-style-type: none"> Affordable Care Act will include Medicaid coverage expansions to include childless adults 	<ul style="list-style-type: none"> Many students won't qualify based on family income
Student health insurance	<ul style="list-style-type: none"> Available to enrolled students Guaranteed issuance to enrolled students Can efficiently connect service delivery to campus health centers 	<ul style="list-style-type: none"> Potential lapse in coverage due to term-by-term coverage Plans may not have adequate balance of benefits and risk protection



DEPENDENT COVERAGE

The most common coverage for students is dependent coverage on a parent's plan. Nationally, three in five people (54.9%) are covered by employer-sponsored insurance (ESI) coverage and slightly more (58.9%) of post-secondary students are covered under ESI. Young adult dependent coverage expansions are included in the Affordable Care Act of 2010 (ACA) and have been implemented in states effective for plan or policy years beginning in September 2010. These provisions allow for unmarried dependents to remain as dependents on a parent's plan until age 26. Prior to this federal legislation 38 states had implemented similar reform initiatives, with variation in the age and qualifications for coverage. Research on the effectiveness of those initiatives has shown a small increase in coverage among young adults.¹¹ However, recent estimates from the National Center for Health Statistics, reflecting first quarter 2011, show a dramatic increase in coverage for young adults.¹²

Dependent coverage options are somewhat tenuous. Trends in recent years have shown a decline in the prevalence of ESI and increases in costs of dependent coverage.¹³ Despite recent reform initiatives the practical effect of dependent coverage expansions has yet to be determined. Dependent coverage options may not be viable for students attending school in a state or region that is outside of the provider network offered by the parent's plan, resulting in excessive out-of-network fees. For families with health savings accounts, tracking health expenditures may be complicated for a student attending college out of town.

INDIVIDUAL COVERAGE

Purchasing individual coverage is also an option for students. Nationally, 12.7% of people are covered under individual plans, while 15.2% of post-secondary students have individual coverage.¹⁴ One major limitation of individual plans is that applicants are subject to underwriting that can lead to denial of coverage, coverage exclusions, and/or high premiums. Premiums can be cost-prohibitive for plans that have better benefits and lower cost-sharing. High-deductible plans have more affordable premiums but these catastrophic risk protection plans may inhibit enrollees from utilizing preventive care services. The ACA calls for catastrophic risk protection plans—targeted specifically toward young adults—that offer a minimum benefit set and very high deductible to be available through the exchanges. The ACA will also offer tax credits and cost-sharing subsidies targeted to help low- and moderate-income families and individuals save on health insurance purchased through the exchanges.

HIGH RISK POOLS

Some states offer high-risk pool coverage for those with pre-existing health conditions; for example, diabetes or asthma. These plans are intended to provide coverage for individuals who do not have access to affordable ESI, do not have access to public programs, or cannot purchase insurance in



the individual market due to health status. Many states operate high-risk pools, and a provision of the ACA established a temporary federal program—the Pre-existing Condition Insurance Plan (PCIP)—until 2014 when guaranteed coverage will apply in the private market. These plans may not be a reliable option for students because premiums can still be expensive. Furthermore, eligibility criteria—which tend to vary by state—may require periods of uninsurance as long as six months, although the federal PCIP does not require a waiting period.¹⁵

PUBLIC COVERAGE

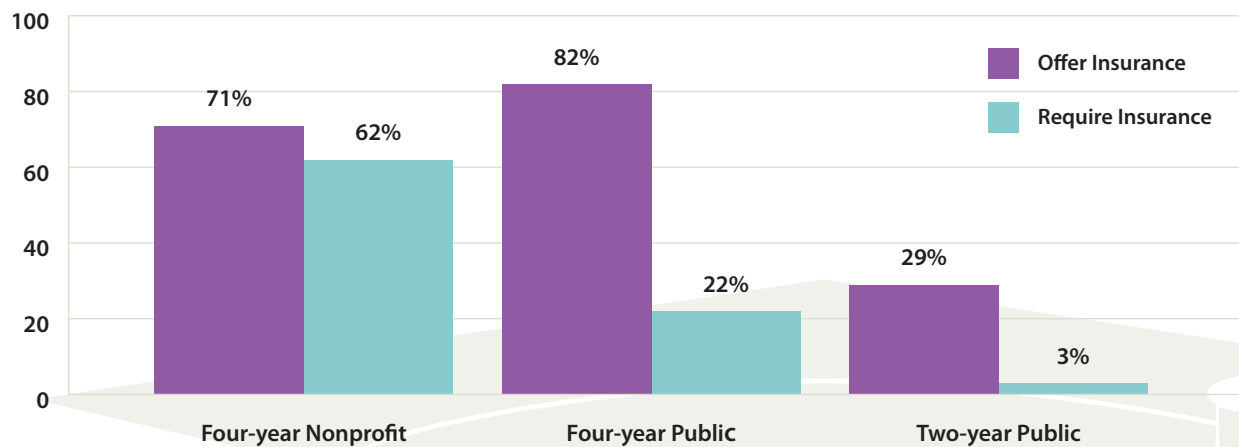
Public health insurance programs such as Medicaid may also be an option for some students. Nationally, nearly one in three people (29.6%) have insurance through a public program, compared to just 10.9% of post-secondary students. The ACA will expand eligibility to include childless adults up to 138% of federal poverty guidelines; however, these are available only to low-income populations (\$15,038 for an individual or \$30,843 for a family of four¹⁶). Low-income students living on their own may qualify, but this will not be a reliable option for all uninsured students. Some states also offer alternative Medicaid expansions and/or alternative public health insurance options such as MinnesotaCare¹⁷. Many of these programs are limited to low-income families and individuals, or to people with specific medical conditions such as HIV/AIDS or pregnancy.

STUDENT HEALTH INSURANCE

Student health insurance plans can be an appealing source of coverage for otherwise uninsured students. The Government Accountability Office found that over half (57%) of colleges and universities offer student health insurance plans. This prevalence is much higher for four-year schools, with 71% of private nonprofit and 54% of public four-year schools offering coverage. This same survey found that 30% of colleges and universities require full-time students to carry health insurance. This prevalence varies dramatically by type of institution, with 62% of four-year private schools, 22% of four-year public schools, and just 3% of two-year public schools requiring insurance.¹⁸ Exhibit 4 summarizes these results.



Exhibit 4: Post-secondary Health Insurance Offer and Mandate Rates by Type of Institution, 2008



Source: United States Government Accountability Office.¹⁹

Limitations of student health insurance plans are that they cover students only for the term of enrollment (i.e., semester by semester) and there may not be a minimum set of essential benefits to ensure that students are protected in the event of a major health incident. In addition, unless mandated these plans may not be considered affordable for low-income students; therefore, such “voluntary” plans may not be purchased. Furthermore, without a mandate the risk pool is reduced and potentially overloaded with students in poorer health (who are more likely to opt for coverage). As such, the overall cost and risk of the pool increases.

Despite these various options for insurance coverage many students remain uninsured. Provisions of the ACA will help improve access to affordable coverage, but do not meet insurance coverage needs for all students.

Provisions of the Affordable Care Act will help improve access to affordable coverage, but do not meet insurance coverage needs for all students.



Adequacy of Benefit Plans

Not all health insurance plans are equal and the typical trade-off is between cost of premiums and co-pays versus the benefit package. Students need health insurance coverage that is affordable but also has adequate benefits. Insufficient coverage can lead to personal medical debt and can also impact university-based student health centers that may not receive compensation for provided care. Local communities are also impacted by the uncompensated care burden, particularly in rural areas. These community health centers, funded by local tax dollars with diminishing support from their state, must absorb the cost of care provided to the uninsured who cannot afford to pay medical expenses out of pocket.

Several guidelines are now available for essential health benefits. For the population as a whole, the Institute of Medicine has published recommendations to guide the U.S. Department of Health and Human Services (HHS) in developing essential health benefits that will apply to health insurance exchanges established as part of the ACA. However, essential benefits for college students may not be the same as for the general population. The American College Health Association (ACHA) published standards for student health insurance and benefits programs in 2008 that call for: mandates for coverage, and benefits that include preventive health services, catastrophic illness or injury, prescription medications including psychotropic medications and the minimization or elimination of pre-existing condition exclusions/waiting periods. Several additional standards relate to oversight and regular review of the plans to ensure they are meeting the needs of students and the institution.²⁰

Comparatively, the ACA describes essential health benefits as including at least these ten categories of services: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental/behavioral health and substance use disorder services; prescription drugs; rehabilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.²¹ The law also lifts lifetime dollar limit spending for services and includes a mandate for coverage; however, many students may potentially qualify for a mandate exemption if their out-of-pocket costs still exceed 9% of their income.

The ACHA standards do not specifically address dollar limit spending, but do generally address the need for “cost-effective” care.²² Evidence suggests that many young adults are already burdened with excessive medical debt; it therefore stands to reason that student insurance plans should provide adequate risk protection.²³

Affordability of coverage is a significant issue for college students who are already bearing costs of tuition, housing, books, and incidental expenses at a time when they have limited opportunity for income. Discussion about essential health benefits emphasizes the need to keep premiums affordable and cost sharing provisions within reasonable limits.²⁴ But affordability cannot come at the expense of risk protection, as many young adults already face high levels of medical debt.²⁵



Another consideration for student health insurance plans is eligibility requirements. Many schools require a minimum-credit requirement, and in some cases enrollment in a degree-seeking program, to participate in school-sponsored health insurance coverage.²⁶ Minimum enrollment requirements are likely to impact public schools that have a higher proportion of part-time students.²⁷ Furthermore, schools face an issue in determining eligibility for online-only students. Many schools do not allow the online-only student base to participate in health insurance plans, while at the same time the prevalence of online courses is on the rise.²⁸

*Essential health benefits need to keep premiums affordable
and cost sharing provisions within reasonable limits*

Conclusions

Health insurance coverage is a valuable product and critical to help students achieve success in school and throughout life. In an era of increasing student debt and a difficult employment market, students need to complete their educations with the best tools and financial stability to enter the job market and/or pursue further education. Access to a well-designed health insurance plan will help to maintain health and well-being as they complete school and avoid added debt from health care expenses.

Student insurance plans must be affordable and also offer benefits that promote well-being and prevent excessive medical debt. It must be practical in design to allow students to easily utilize care at or near their campus, and it needs to coordinate with services available through campus-based health centers.

The health insurance marketplace is approaching a period of change with impending provisions of the Affordable Care Act implemented in the next two years. Some of these provisions will help provide coverage to otherwise uninsured students, notably the extension of dependent coverage, expansion of public programs, and required offering of a catastrophic risk protection plan in the exchanges. Yet these provisions will fall short of covering the health access and risk management needs of students. Dependent coverage options will still incur out-of-pocket medical expenses for students who attend school out of town. Public programs are limited to the poor, and catastrophic plans may not offer adequate risk protection nor meet the needs of students managing chronic conditions. A viable student health insurance option that provides affordable access to care and protection from medical debt must be available to students through their institution of higher education.

- ¹ Information on MHECare is available at: <http://www.mhec.org/mhecure>.
- ² American Community Survey 2010; estimates calculated by SHADAC using Ruggles, R., J.T. Alexander, K. Genadek, R. Goeken, M. B. Schroeder, and M. Sobek. 2011. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota.
- ³ Boynton Health Service. 2008. "Health and Academic Performance: Minnesota Undergraduate Student." Minneapolis, MN: University of Minnesota. Available at: <http://www.bhs.umn.edu/surveys/index.htm>.
- ⁴ Institute of Medicine. 2011. "Essential Health Benefits: Balancing Coverage and Cost." Consensus Report of the Committee on Defining and Revising an Essential Health Benefits Package for Qualified Health Plans, Board on Health Care Services. Available at: <http://www.iom.edu/Reports/2011/Essential-Health-Benefits-Balancing-Coverage-and-Cost.aspx>.
- ⁵ Collins, S.R. and J. L. Nicholson. 2010. "Rite of Passage: Young Adults and the Affordable Care Act of 2010." The Commonwealth Fund, May 2010.
- ⁶ Greenberg Quinlan Rosner Research. 2008. "Young People: Living on the Edge." Publication prepared for Qvisory, July 22, 2008. Available at: http://www.greenbergresearch.com/articles/2217/4503_qvisory08m3_PublicRelease_final.pdf.
- ⁷ Nelson, M.C., M. Story, N.I. Larson, D. Neumark-Sztainer, and L.A. Lytle. 2008. "Emerging Adulthood and College-aged Youth: An Overlooked Age for Weight-related Behavior Change." *Obesity* 15(10): 2205-11.
- ⁸ American Community Survey 2010; estimates calculated by SHADAC using Ruggles et al. 2011.
- ⁹ United States Government Accountability Office. 2008. "Health Insurance. Most College Students are Covered through Employer-sponsored Plans, and Some Colleges and States Are Taking Steps to Increase Coverage." Report to the Committee on Health, Education, Labor, and Pensions, U.S. Senate. GAO-08-389. Available at: <http://www.gao.gov/new.items/d08389.pdf>.
- ¹⁰ According to the National Conference of State Legislatures, all MHEC states except Michigan and Ohio currently run their own high-risk pool. Information is available at: <http://www.ncsl.org/default.aspx?tabid=14329>.
- ¹¹ Monheit A.C., J.C. Cantor, D. DeLia, and D. Belloff D. 2011. "How have state policies to expand dependent coverage affected the health insurance status of young adults?" *Health Services Research* 46(1 Pt 2):251-67.
- ¹² Cohen R.A. and Martinez M.E. Health insurance coverage: Early release of estimates from the National Health Interview Survey, January–March 2011. National Center for Health Statistics. September 2011. Available from: <http://www.cdc.gov/nchs/nhis/releases.htm>.
- ¹³ State Health Access Data Assistance Center. 2011. "State-Level Trends in Employer-Sponsored Health Insurance: A State-by-State Analysis." Minneapolis, MN: University of Minnesota. Available at: http://www.shadac.org/files/shadac/publications/ESI_Trends_Jun2011.pdf.
- ¹⁴ American Community Survey 2010; estimates calculated by SHADAC using Ruggles et al. 2011.
- ¹⁵ Information on the Pre-existing Condition Insurance Plan is available at: <http://www.healthcare.gov/law/features/choices/pre-existing-condition-insurance-plan/>.
- ¹⁶ These are 2011 Federal Poverty Guidelines published by the Department of Health and Human Services. Full guidelines with breakouts by family size are available at: <http://aspe.hhs.gov/poverty/11poverty.shtml>.
- ¹⁷ MinnesotaCare is a publicly subsidized program for Minnesota residents who do not have access to affordable health care coverage. Most people are not eligible if their employer offers health insurance and pays at least half of the monthly cost. Most enrollees pay a monthly premium, determined by a sliding-fee scale based on family size and income. More information is at http://www.dhs.state.mn.us/main/idcplg?ldcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_006255.
- ¹⁸ United States Government Accountability Office. 2008.
- ¹⁹ United States Government Accountability Office. 2008.

- ²⁰ The full list of recommendations is available at: http://www.acha.org/Publications/docs/Standards%20for%20Student%20Health%20Insurance_Benefits%20Programs_Mar2008.pdf.
- ²¹ HealthCare.gov Glossary web page for "Essential health benefits." Available at: <http://www.healthcare.gov/glossary/e/essential.html>.
- ²² American College Health Association. 2008. "Standards for Student Health Insurance/Benefits Programs." Available at: http://www.acha.org/Publications/docs/Standards%20for%20Student%20Health%20Insurance_Benefits%20Programs_Mar2008.pdf.
- ²³ Zeldin, C. and M. Rukavina. 2007. "Borrowing to Stay Healthy: How Credit Card Debt Is Related to Medical Expenses." Available at: http://www.demos.org/pubs/healthy_web.pdf.
- ²⁴ Rukavina, M., C. Pryor, S. D'Amato, and S. Beberman. 2007. "Not Making the Grade: Lessons Learned from the Massachusetts Student Health Insurance Mandate." The Access Project. Available at: http://www.accessproject.org/adobe/not_making_the_grade.pdf.
- ²⁵ Zeldin and Rukavina. 2007.
- ²⁶ United States Government Accountability Office. 2008.
- ²⁷ National Center for Education Statistics. 2011. Available at: http://nces.ed.gov/programs/digest/d10/tables/dt10_205.asp (accessed November 11, 2011).
- ²⁸ Taylor, P., K. Parker, A. Lenhart, and E. Patten. 2011. "The Digital Revolution and Higher Education." Washington DC: Pew Research Center. Available at: <http://www.pewsocialtrends.org/files/2011/08/online-learning.pdf>.

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STUDENT HEALTH INSURANCE PLANS

Balancing Benefits and Premiums for Success

The Midwestern Higher Education Compact (MHEC) will launch a student health insurance plan, MHECare, in fall 2012. MHECare was developed to help MHEC members contain health-related costs and to provide students with adequate health care coverage.¹ This brief describes the current environment for student health insurance plans, advantages and limitations of these plans, the value of health insurance coverage for student health and well-being, the risk exposure that uninsured students face, and the burden that this can impose on institutions of higher education.

Acknowledgments



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MHECare, developed by the MHEC Student Health Benefits Advisory Committee (SHBAC), is supported by generous funding from Lumina Foundation for Education, an Indianapolis-based private foundation dedicated to expanding access to and success in education beyond high school.

ABOUT THE MIDWESTERN HIGHER EDUCATION COMPACT

The Midwestern Higher Education Compact (MHEC) is a nonprofit regional organization established by compact statute to assist Midwestern states in advancing higher education through interstate cooperation and resource sharing. Member states are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

MHEC seeks to fulfill its interstate mission through programs which:

- enhance productivity through reductions in administrative costs
- encourage student access, completion, and affordability
- facilitate public policy analysis and information exchange
- facilitate regional cooperation
- encourage quality higher education programs and services
- encourage innovation in the delivery of educational services

MHEC LEADERSHIP

Chair: Jeff Haverly, Chair, Government Operations and Audit, South Dakota State Senate
Vice Chair: Randy Ferlic, Regent—University of Nebraska System
Treasurer: Ed Maloney, Chair, Higher Education Committee, Illinois State Senate
President: Larry A. Isaak

From the MHEC President

Dear Colleague,

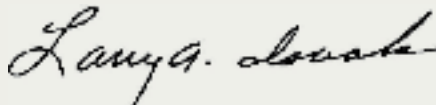
Health insurance coverage is a prominent issue in the United States, with the number of uninsured growing as cost of coverage increases. Post-secondary students are not immune to problems of uninsurance, leaving many vulnerable to the health and financial consequences of being uninsured or having inadequate coverage. In 2010, the Patient Protection and Affordable Care Act enacted significant measures to address problems in accessing health insurance coverage. Despite these measures, many students will still face challenges in obtaining reasonable health insurance coverage.

Poor health insurance coverage—or none at all—is an impediment to student health and well-being, and a potential barrier to achieving a successful post-secondary education. To address the problem of uninsured and underinsured students, the Student Health Benefits Advisory Committee of the Midwestern Higher Education Compact (MHEC), with the support of Lumina Foundation, developed MHECare to provide its colleges and universities a health insurance product for their students with cost-savings that could only be achieved by working collaboratively. MHECare offers vetted and comprehensive health insurance options for students, as well as administrative efficiencies for colleges and universities.

Lumina Foundation, an Indianapolis-based private foundation, is committed to enrolling and graduating more students from college—especially 21st century students: low-income students, students of color, first-generation students and adult learners. Lumina's goal is to increase the percentage of Americans who hold high-quality degrees and credentials to 60% by 2025. Lumina pursues this goal in three ways: by identifying and supporting effective practice, through public policy advocacy, and by using our communications and convening power to build public will for change.

This brief presents existing research and current thinking about the value of health insurance for the students in higher education. Access to health insurance is a public health issue. Health and wellness are key elements in maintaining student productivity and success, and students need access to high quality health coverage at a reasonable price. Colleges and universities need to be accountable to this issue for the sake of their students, and also for their communities that bear the burden of caring for the uninsured. It is also important for our member institutions to take the charge to address these issues, leading our nation toward a future of good health and productivity.

Sincerely,



Larry A. Isaak, President
Midwestern Higher Education Compact





Overview of Student Health Insurance Plans

Access to health insurance coverage, and consequently health care, is a problem for many students. Nearly one in five students (18.5%) do not have health insurance coverage, compared to 15.5% for all ages in the United States. Exhibit 1 provides a profile of types of coverage for the total population compared to students attending college in the United States, as well as a subset of the 12 MHEC member states.

Nearly one in five students do not have health insurance coverage.

Exhibit 1: Health Insurance Coverage for Students, U.S. and MHEC States, 2010

TYPE OF COVERAGE	UNITED STATES		MHEC MEMBER STATES	
	Total Population	Post-Secondary Students	Total Population	Post-Secondary Students
Any Coverage	84.5%	81.5%	87.7%	84.7%
Private Coverage	66.0%	73.2%	70.5%	76.1%
Group Coverage	54.9%	58.9%	59.5%	62.8%
Individual Coverage	12.7%	15.2%	13.5%	15.3%
Public Coverage	29.6%	10.9%	29.5%	11.1%
No Coverage	15.5%	18.5%	12.3%	15.3%

Source: 2010 American Community Survey²

Note: Estimates may add to more than 100% because people can have more than one source of coverage.

Many institutions of higher education offer student health insurance, some with mandates for students to purchase or otherwise prove that they have coverage. Research has found that over half of post-secondary schools (57%) offer health insurance plans for students. This prevalence is much higher for four-year schools, with 71% of private nonprofit and 54% of public four-year schools

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Balancing Benefits and Premiums for Success

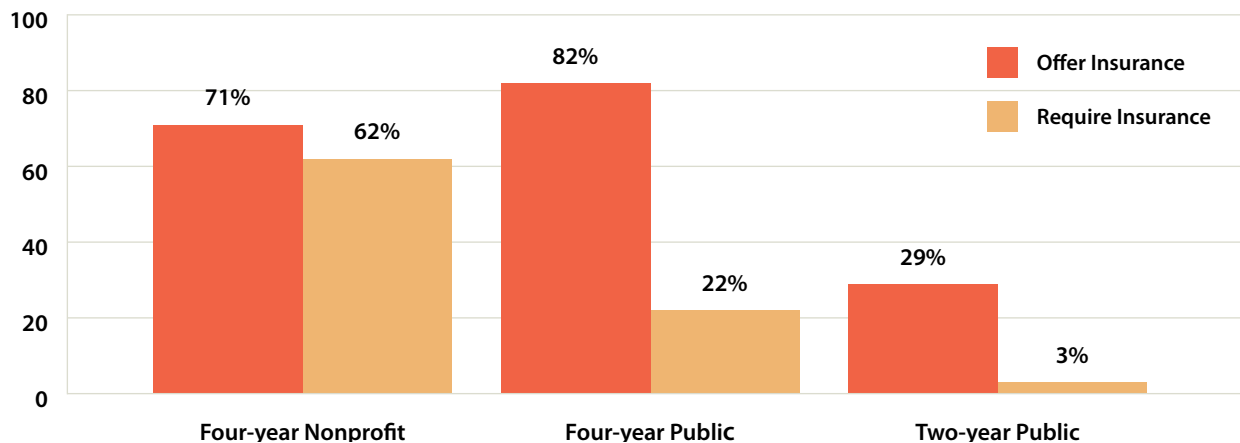
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offering, whereas just 29% of two-year schools offer.³ In addition, two-year schools have a higher proportion of poor and minority students—populations that already have higher uninsurance rates than Whites; as a result there is a disparity in access to coverage for these students.⁴

This same survey found that 30% of colleges and universities require full-time students to carry health insurance. This prevalence varies dramatically by type of institution, with 62% of four-year private schools, 22% of four-year public schools, and just 3% of two-year public schools requiring insurance. Exhibit 2 summarizes these results.

Exhibit 2: Post-secondary Health Insurance Offer and Mandate Rates by Type of Institution, 2008



Source: United States Government Accountability Office.⁵

Many student health insurance plans offered through schools are not sufficient to meet the health and financial needs of students. The premiums may be viewed as affordable, but the benefit packages are not sufficient to provide reasonable access to basic health services or protection from a major health incident. As an example, excessive co-pays for a preventive care visit may inhibit responsible personal health management, or limits for an unexpected surgery or accident may leave a student with high medical debt.

Research has found wide variation in payment for and coverage of services provided by student insurance plans.⁶ In a recent investigation into student health insurance plans, then New York Attorney General Andrew Cuomo found many points of concern such as insufficient coverage, excessive cost, excessive brokerage commissions, and inappropriate kick-backs to the schools.⁷ The Attorney General encouraged New York's post-secondary schools to review their student health



insurance plans to better serve the needs of the students. The American College Health Association (ACHA) considers a more firm stance on the responsibility of the schools. ACHA has issued ten standards for student health insurance programs. One of these is that the school acknowledges it has “...a fiduciary responsibility to manage student health insurance/benefits programs in the best interests of students covered by the programs.”⁸

There is also variation among schools in the eligibility requirements for enrollment, such as offers of coverage available to part-time students. Many schools require a minimum credit requirement, and in some cases enrollment in a degree-seeking program, to participate in school-sponsored health insurance coverage.⁹ Minimum enrollment requirements are likely to have a greater impact on public schools that have a higher proportion of part-time students.¹⁰

Limitations of student health insurance plans are that they cover students only for the term of enrollment (i.e., semester by semester) and there is not a required minimum set of essential benefits to ensure that students are protected in the event of a major health incident. In addition, unless coverage is mandated the plans that are offered may still be considered unaffordable for low-income students and will not be purchased. All of these issues point to a need for student health insurance plans that balance the health needs of students, the cost of coverage for the student, and the risk exposure for both the student and the institution, and seriously consider the issue of insurance mandates to promote student well-being.

Students who report poor health and those with chronic health conditions have lower grade point averages.

Advantages of Student Health Plans for Schools

There are many advantages for post-secondary schools that offer well-designed health insurance plans to students. First and foremost, students benefit by having access to health insurance coverage. Having coverage is an important aspect of individual well-being. The uninsured suffer worse health outcomes, die sooner, forego needed care, and are less productive in the workforce.^{11,12} Research has found that students who report poor health and those with chronic health conditions have lower grade point averages.¹³ Often characterized as “young invincibles,” young adults (including the student population) have lower prevalence of chronic health problems and have had less experience with major health events. However, this does not protect them from fluke medical events such as an accident or unexpected condition that may incur large medical expenses. Such unexpected

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medical events can result in large medical debt for the student. More than one in four (28%) young adults—including non-students—have been found to have unpaid medical bills.¹⁴ In addition, during these formative young adult years the availability and/or requirement of health insurance can promote the idea of personal accountability for students to maintain coverage and healthy behaviors, and carry these habits into their lives after graduation.

Schools also benefit from an administrative perspective by offering well-designed student health insurance plans. Such plans allow for better prediction of medical services provided through the student health centers because students using these services will have insurance. These schools are also likely to reduce the uncompensated care (care provided but not paid for) provided by these centers. Schools will maximize the utility of these plans by balancing affordability with adequate benefits, as well as service coordination through the school's student health center. Local communities will benefit from a reduced uncompensated care burden, particularly in rural areas. These community health centers, funded by local tax dollars with diminishing support from their state, must absorb the cost of care provided to the uninsured who cannot afford to pay medical expenses out of pocket.

Health insurance plans designed to meet business objectives of the institution may not meet the realistic health needs of students, and they may also not meet the needs of local community health centers that provide care to students.

Student Health Insurance Coverage Needs

While health insurance coverage is considered by many to be a necessary component of student well-being and productivity, not all available plans effectively meet the needs of the students. Students—as with most individuals—need an insurance plan that covers access to basic preventive health services with reasonable cost sharing and adequate risk protection for significant and/or unexpected medical events. Health insurance plans designed to meet business objectives of the institution may not meet the realistic health needs of students, and they may also not meet the needs of local community health centers that provide care to students.

Several guidelines are now available for essential health benefits. For the population as a whole, the Institute of Medicine has published recommendations to guide the U.S. Department of Health and Human Services (HHS) in developing essential health benefits that will apply to health



insurance exchanges established as part of the Affordable Care Act (ACA). However, essential benefits for college students may not be the same as for the general population. As such, ACHA's standards for student health insurance and benefits programs call for: mandates for coverage; coverage for preventive health services, catastrophic illness or injury, prescription medications including psychotropic medications; and the minimization or elimination of pre-existing condition exclusions/waiting periods, among other benefits. Several additional standards relate to oversight and regular review of the plans to ensure they are meeting the needs of students and the institution.¹⁵

The ACHA standards do not specifically address dollar-limit spending, but do generally address the need for “desired benefits at the least possible cost.”¹⁶ Evidence suggests that many young adults are already burdened with excessive medical debt; it therefore stands to reason that student insurance plans should provide adequate risk protection.¹⁷ Annual limits will be addressed by the ACA. ACA regulations establish student health insurance plans as a type of individual plan and allow a transition period to comply with annual dollar limits for essential health benefits, and lifetime dollar limits for these benefits will not be allowed. Furthermore, plans must provide preventive care with no cost sharing, and may not impose pre-existing condition limits on students under 19 years of age (nor on all participants as of 2014).

Impact of the Affordable Care Act on Student Coverage

The ACA will have dramatic impact on health insurance coverage in the United States—especially the non-elderly population—with some impacts already evident. Among the many provisions of the law, those most likely to impact students' access to health insurance coverage are dependent coverage expansions, availability of individual coverage, and catastrophic coverage for young adults offered through the exchange. Medicaid expansions may also be available to low-income students living on their own. The ACA will offer tax credits and cost-sharing subsidies targeted to help low- and moderate-income families and individuals save on health insurance purchased through the exchanges. Despite the broad reach of these provisions, the ACA will not provide access to health insurance coverage for all students.

Under the dependent coverage expansion, unmarried young adults will be allowed to remain as a dependent on a parent or guardian's plan until age 26. Young adults traditionally have high uninsurance rates and this provision, already in effect, is showing signs of success. Early estimates show that, nationwide, coverage among young adults increased by 3.5% from 2010 to 2011, representing almost a million people.¹⁸ Nevertheless, this provision is not effective for families that do not have dependent coverage available, or have prohibitively expensive premiums for this coverage. There has been a steady decline since the early 2000s in availability and take-up of

STUDENT HEALTH INSURANCE PLANS

Balancing Benefits and Premiums for Success

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Educational institutions need to provide a feasible option for students to ensure their best medical and financial health and well-being.

employer-sponsored coverage and an increase in premium costs.¹⁹

Beginning in 2014 the health insurance exchanges, a major provision of the ACA, will provide access to coverage for many Americans. The exchanges are health insurance “marketplaces” where individuals and small businesses will be able to purchase coverage from a selection of plans that meet the essential benefits prescribed by the law, without risk of denial for previous health conditions. The exchanges should be a good source of coverage for many students and will not have cost-sharing for many preventive services. The ACA also calls for creation of “catastrophic” health plans available through exchanges—targeted specifically toward young adults—that offer a minimum benefit set and very high deductible. At this point it is not clear how cost-sharing will be affected for students who purchase coverage in one network but attend school out of that network. Furthermore, undocumented non-citizen students will not have access to the exchange.

Medicaid expansions may provide access to students who come from poor families. Under these provisions, access to health insurance through Medicaid will be available to all people up to 138% of the federal poverty guidelines (FPG). States also have the option of creating a Basic Health Plan available to those under 200% of FPG (\$21,780 for one person), and subsidies will be available to those under 400% of FPG (\$43,560 for one person).²⁰ These provisions will open up public coverage to young adults, more likely impacting students at two-year institutions. However, many students who can afford post-secondary education may not qualify for these benefits.

Conclusions

Offering and/or mandating coverage for students is an important business decision for schools to fulfill their missions relating to student success in life, managing administrative issues relating to medical expenses and risk, and being responsible members of the local community. Schools may find further benefit by requiring coverage, but in this case it is imperative that the plans provide for adequate benefits and risk protection. It is the school’s responsibility to ensure that sufficient health insurance options are available to students, and local communities cannot bear the burden of uninsured students. The ACA will provide some options, but these will not be an adequate solution for all students to purchase health insurance coverage.

Furthermore, the politically charged climate of our nation’s policy makers may undermine the law altogether. Post-secondary educational institutions are advised to seriously weigh the downside implications of student uninsurance and underinsurance to provide a feasible option for them to ensure their best medical and financial health and well-being.

- ¹ Information on MHECare is available at: <http://www.mhec.org/mhecare>.
- ² Ruggles, R., J.T. Alexander, K. Genadek, R. Goeken, M.B. Schroeder, and M. Sobek. 2011. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota.
- ³ United States Government Accountability Office. 2008. "Health Insurance. Most College Students are Covered through Employer-sponsored Plans, and Some Colleges and States Are Taking Steps to Increase Coverage." Report to the Committee on Health, Education, Labor, and Pensions, U.S. Senate. GAO-08-389. Available at <http://www.gao.gov/new.items/d08389.pdf>.
- ⁴ United States Government Accountability Office. 2008.
- ⁵ United States Government Accountability Office. 2008.
- ⁶ United States Government Accountability Office. 2008.
- ⁷ Cuomo, A.E. 2010. Letter to Presidents of New York Post-Secondary Institutions, April 6, 2010. Albany NY: State of New York Office of the Attorney General. Available at: <http://www.nystudenthealth.com/pdfs/Letter%20to%20Schools%2004-06-10.pdf>.
- ⁸ American College Health Association. 2008. "Standards for Student Health Insurance/Benefits Programs." Available at: http://www.acha.org/Publications/docs/Standards%20for%20Student%20Health%20Insurance_Benefits%20Programs_Mar2008.pdf.
- ⁹ United States Government Accountability Office. 2008.
- ¹⁰ National Center for Education Statistics 2011, at: http://nces.ed.gov/programs/digest/d10/tables/dt10_205.asp,11/11/11.
- ¹¹ Institute of Medicine. 2011. "Essential Health Benefits: Balancing Coverage and Cost." Consensus Report of the Committee on Defining and Revising an Essential Health Benefits Package for Qualified Health Plans, Board on Health Care Services. Available at <http://www.iom.edu/Reports/2011/Essential-Health-Benefits-Balancing-Coverage-and-Cost.aspx>.
- ¹² Collins, S.R. and J.L. Nicholson. 2010. "Rite of Passage: Young Adults and the Affordable Care Act of 2010." The Commonwealth Fund, May 2010.
- ¹³ Boynton Health Service. 2008. "Health and Academic Performance: Minnesota Undergraduate Student." Minneapolis, MN: University of Minnesota, at: <http://www.bhs.umn.edu/surveys/index.htm>
- ¹⁴ Greenberg Quinlan Rosner Research. 2008. "Young People: Living On The Edge." Publication prepared for Qvisory, July 22, 2008. Available at: http://www.greenbergresearch.com/articles/2217/4503_qvisory08m3_PublicRelease_final.pdf.
- ¹⁵ The full list of ACHA recommendations is available at: http://www.acha.org/Publications/docs/Standards%20for%20Student%20Health%20Insurance_Benefits%20Programs_Mar2008.pdf.
- ¹⁶ American College Health Association. 2008.
- ¹⁷ Zeldin, C. and M. Rukavina. 2007. "Borrowing to Stay Healthy: How Credit Card Debt Is Related to Medical Expenses." Available at: http://www.demos.org/pubs/healthy_web.pdf.
- ¹⁸ Cohen R.A. and Martinez M.E. Health insurance coverage: Early release of estimates from the National Health Interview Survey, January–March 2011. National Center for Health Statistics. September 2011. Available from: <http://www.cdc.gov/nchs/nhis/releases.htm>.
- ¹⁹ State Health Access Data Assistance Center. 2011. "State-Level Trends in Employer-Sponsored Health Insurance: A State-by-State Analysis." Minneapolis, MN: University of Minnesota. Available at: http://www.shadac.org/files/shadac/publications/ESI_Trends_Jun2011.pdf
- ²⁰ These are 2011 Federal Poverty Guidelines published by the Department of Health and Human Services. Full guidelines with breakouts by family size are available at: <http://aspe.hhs.gov/poverty/11poverty.shtml>.

Contact Us



Midwestern Higher Education Compact

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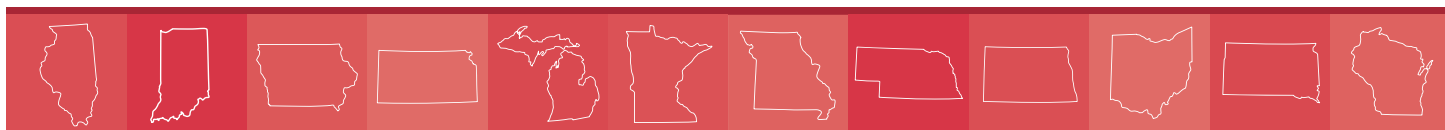
Visit MHEC's website at: www.mhec.org

State Report
2011-2012

Iowa



Midwestern Higher
Education Compact



What is MHEC?

- The Midwestern Higher Education Compact (MHEC) was created by the Midwestern Legislative Conference (MLC) of The Council of State Governments in the early 1990s. The compact states are closely aligned with the states of the MLC region.
- All 12 eligible Midwestern states defined by the compact passed legislation to become members.
- MHEC services are available to all 1,009 Midwestern public and private non-profit institutions of higher education.
- Several MHEC services are available to all state and local governments and to K-12 schools.
- Member state commitments, foundation grants, and program income finance MHEC activities.

MHEC's Strategic Priorities

- Improve postsecondary *opportunity* and success.
- Innovative approaches to improving institutional and system *productivity*.
- *Affordability* to students and states.
- Enhance *connectivity* between higher education and the workplace.

MHEC's Mission

Advancing Midwestern higher education through interstate cooperation and resource sharing.

CORE FUNCTIONS:

Cost Savings and Cost Containment

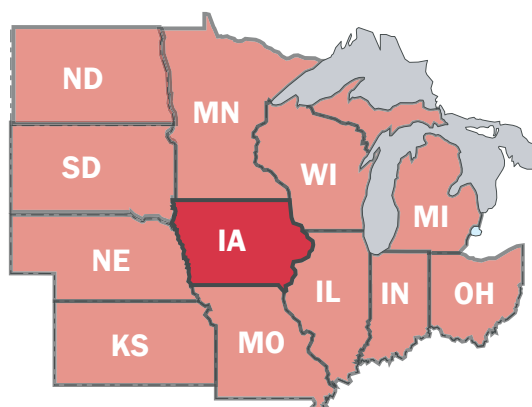
Student Access and Success

Policy Research and Analysis

All of MHEC's programs and services are led by advisory committees of commissioners and/or experts from campuses in participating states. About 150 persons from across the region participate in these committees.

The Midwest

- 21.8% of the nation's population (U.S. Census Bureau, 2012)
- 21.5% of the nation's two-year college enrollment (IPEDS, Fall 2011)
- 24.4 % of the nation's four-year undergraduate enrollment (IPEDS, Fall 2011)
- 23.1% of the nation's associate's degrees awarded (IPEDS, 2010-11)
- 24.7% of the nation's bachelor's degrees awarded (IPEDS, 2010-11)



The Commission

- MHEC is uniquely governed by a 60-member commission of legislators, governors' representatives, and higher education leaders.
- Two commissioners are appointed by each state's legislature and generally three are appointed by each state's governor, one of whom must be from higher education.
- The MHEC commission chair rotates annually between a legislator and a non-legislator.
- The commission meets annually.
- The commission's executive committee meets semi-annually.
- Meeting locations rotate among member states.
- Commissioner travel to meetings is paid for by MHEC.

MHEC Leadership



Chair
Randy Ferlic
Regent
University of Nebraska System



Vice Chair
Sheila Harsdorf
Senator
Wisconsin State Senate



Treasurer
Suzanne Morris
Vice Chair, Illinois Community
College Board



MHEC President
Larry Isaak

Commissioners Serving Your State *(as of November 2012)*

Robert Downer, Regent, Board of Regents, State of Iowa

Greg Forristall, Representative, Iowa House of Representatives

Connie Hornbeck, Past Board Chair and Treasurer, Iowa Association of Community College Trustees

Olivia Madison, Dean of the Library, Iowa State University

Brian Schoenjahn, Chair, Education Appropriations Subcommittee, Iowa State Senate

Alternates:

Andrew Baumert, Vice President for Marketing and Outreach, Iowa Association of Independent Colleges and Universities

Nancy Boettger, Member, Education Committee & Appropriations Committee, Iowa State Senate

Karen Misjak, Executive Director, Iowa College Student Aid Commission

Brent Siegrist, Director of AEA Services, Area Education Services

Sharon Steckman, Ranking Member, Education Committee, Iowa House of Representatives

Cost Savings

MHEC's cost savings and cost containment function addresses areas of regional need by developing programs intended to offer the best pricing, support, and contract terms in the region. MHEC selectively and strategically pursues only those initiatives that will greatly benefit a large segment of higher education, and in some instances K-12 districts and schools, state and local governments, and not-for-profit entities. The focus is on developing quality initiatives that cannot generally be replicated by any single entity acting on its own. Current programs are available for property insurance, computer hardware, computer software, student health insurance, and pharmacy benefits.

- Since MHEC was created in 1991, MHEC's cost savings programs have saved \$386 million for entities in MHEC states. Cost savings programs saved entities in the MHEC region \$33 million in FY12.

Master Property Program (MPP)

- The property insurance program insures over 145 campuses nationwide with property values exceeding \$83 billion. It saved Midwestern institutions \$9 million in FY12 and \$84 million since the program was created in 1994.

Technology

Technology initiatives saved entities in Midwestern states a total of \$24 million in FY12 and have saved \$176 million since various programs were created.

- Pricing: Established for quantity-one purchases, but additional discounts often available from vendors for special or bulk purchases
- Contract flexibility: Allows institutions to tailor contracts to fit specific needs
- Hardware Initiatives: Dell, Hewlett Packard, Oracle (formerly Sun), Systemax/Global Gov Ed/Comp USA, and Xerox



- Software Initiatives: Novell, Oracle, and VMWare
- Data and Voice Networking Initiatives: Alcatel-Lucent, Enterasys, and Juniper
- Security Event and Information Management (SEIM): eIQ Networks and Novell
- Cloud Services: Campus EAI Consortium
- Website: MHEC's e-commerce website available at: www.mhectechnology.org

MHECare: A Midwest Student Health Collaborative

MHECare was created in response to increasing costs in student health insurance plans and was designed to cover students in MHEC member states. After working for nearly four years, MHEC, in collaboration with its Student Health Benefits Advisory Committee (SHBAC) and under a grant from Lumina Foundation, launched MHECare. Approximately 12,000 students will participate in MHECare for the 2012-13 academic year.

In collaboration with Mercer, the program administrator and an independent consulting firm, MHEC and the SHBAC developed the key plan design features and selected UnitedHealthcare StudentResources (UHCSR), a division of the national health plan, UnitedHealthcare, to underwrite the program. UHCSR specializes in student health insurance plans, offers UnitedHealthcare's extensive national PPO network, and maintains a robust website that administrators and students can access.

MHECare offers both standard and customized Patient Protection and Affordable Care Act (PPACA) compliant plans, depending on the size of the institution and number of students enrolled. For the standard plans, premiums will be community-rated with UHCSR's national book of student claim data.

For the customized plans, premiums will be based on historical claims experience for each school, with the protection of being in a large underwriting pool to help mitigate large claim fluctuations. Compliance

with the PPACA regulations over time are expected to increase student health insurance costs due to the expanded benefits and the potential shift in risk as students make individual decisions about health care coverage. Being in a large underwriting pool can smooth out the impact of catastrophic claims, which are unpredictable, leading to more stable rates with less fluctuation.

Pharmacy Benefit Management (PBM)

MHEC awarded National CooperativeRx a competitive bid to help higher education institutions in the compact's member states with their pharmacy benefit costs.

As universities, colleges, and community and technical colleges continue to face increasing costs in employee health care National CooperativeRx can help control prescription drug costs. National CooperativeRx administers a program to provide Pharmacy Benefit Management (PBM) services through a contract with CVS Caremark.

Savings can be achieved by institutions that choose to "carve out" their pharmacy benefits. To carve out your pharmacy drug plan means to create a drug plan independent of your medical care plan, with potential for greater plan management, flexibility, cost control and more. Through MHEC, National CooperativeRx can help. Institutions can take advantage of this prescription drug management offering without having to conduct a separate RFP.

Cost Savings in Iowa

- At this time no Iowa institutions are using the Master Property Program. However, Iowa State University (ISU) asked MHEC to bid their property insurance for FY09. The MHEC bid, with a much lower deductible, was \$186,205 less per year than ISU was paying. ISU selected their current carrier at a higher deductible at a price of \$858,824 or \$201,532 less than paid in FY08. Thus, MHEC's quote resulted in about \$200,000 in savings for ISU.
- Overall cost savings decreased by \$193,873 over the previous year due to an approximate \$265,000 decrease in computer hardware savings which offset the approximate \$71,000 increase in computer software savings.
- MHEC statutes allow entities to use the MHEC contracts. Many entities may not be aware that the MHEC contracts are a legal and endorsed alternative.
- Computer hardware programs are also available to state and local governments.
- Additional committee members from Iowa need to be identified and appointed in all of the cost savings program committees.

Advisory committee members representing your state:

Employee Health Benefits Advisory Committee

- Tim Ashley, Business Manager, Human Resources Services, Iowa State University

Purchasing Initiatives Committee

- Nancy Brooks, Director of Purchasing, Iowa State University
- Robert L'Heureux, Chief Financial Officer, Iowa Lakes Community College

Risk Management Committee

- Donna Percy, Director of Risk Management, University of Iowa

Technologies Committee

- Angela Embree, Director of Campus Information Services, Drake University
- Steven Moon, Director Network Services, University of Northern Iowa

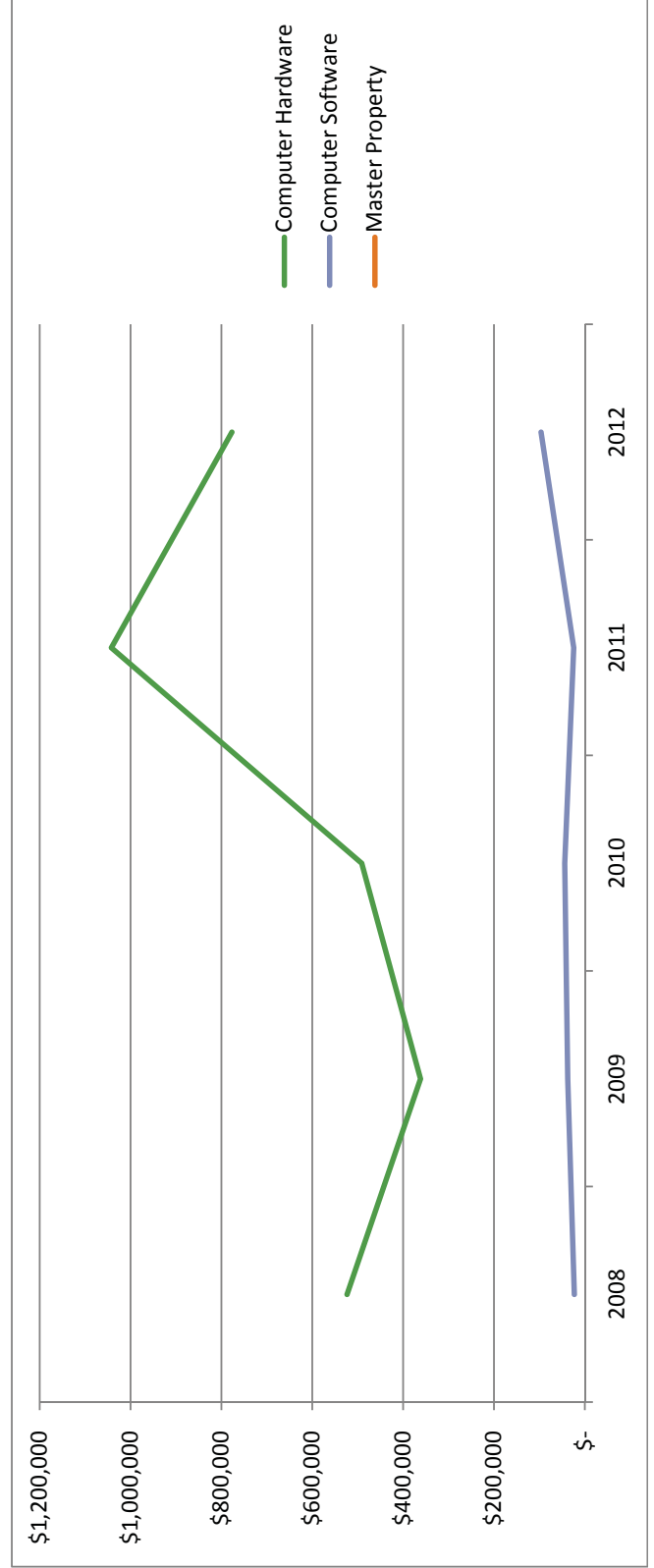
Total Cost Savings and Tuition Savings Per Year

Iowa	2008	2009	2010	2011	2012
Computer Hardware	\$523,560	\$362,103	\$491,320	\$1,042,278	\$776,584
Computer Software	\$23,462	\$37,663	\$44,404	\$24,528	\$96,349
Master Property Program					
Midwest Student Exchange Program					
Total State Savings	\$547,022	\$399,766	\$535,724	\$1,066,806	\$872,933
Total Savings All MHEC States	\$45,511,192	\$42,891,399	\$44,792,842	\$53,952,594	\$53,232,283
State Savings/ Cost Ratio	6.1	4.2	5.6	11.2	9.2

Total Savings by Year



Savings Per Program by Year



Annual Program Savings in MHEC Member States

MHEC Member States	What Member States Pay 2011-2012 (State Commitment)	Total Annual Savings	Where Entities and Citizens Save			
			Computing Hardware Program ¹	Computing Software Program ²	Master Property Program (Insurance) ³	Midwest Student Exchange Program ⁴
Illinois	95,000	13,582,580	6,684,204	251,754	4,826,900	1,819,723
Indiana	95,000	3,059,958	2,124,788	128,249	114,803	692,118
Iowa	95,000	872,933	776,584	96,349	NP ⁵	NP ⁵
Kansas	95,000	5,067,847	966,554	131,447	286,828	3,683,018
Michigan	95,000	8,019,096	3,611,873	256,827	798,693	3,351,704
Minnesota	95,000	4,959,673	1,744,358	108,939	1,598,484	1,507,892
Missouri	95,000	5,591,650	1,761,942	209,844	1,298,641	2,321,224
Nebraska	95,000	3,943,485	582,631	37,401	266,424	3,057,029
North Dakota	95,000	396,967	54,492	38,992	NP ⁵	303,482
Ohio	95,000	2,492,668	2,340,516	152,152	NP ⁵	NP ⁵
South Dakota	95,000	29,959	16,022	13,937	NP ⁶	NP ⁵
Wisconsin	95,000	5,215,468	1,847,415	108,727	NP ⁵	3,259,326
Program Totals	\$1,140,000	\$53,232,283	\$22,511,378	\$1,534,617	\$9,190,773	\$19,995,516

Footnotes:

1. Hardware program savings include those from Dell, HP, Juniper, Enterasys, Systemax, Sun, and Xerox.
2. Software program savings are from the Novell/MHEC Collaborative Program, Oracle, and Open Systems.
3. Based on premium and loss information as of June 30, 2012.
4. Student tuition savings for the academic year 2011-2012.
5. Non-participating state for 2011-2012.
6. In 2012, the SD Office of Risk Management requested a quote for property insurance for 2012-2013 at its six SD Regent institutions. Even though the SD Office of Risk Management kept its current carrier, they indicated the MHEC quote saved the institutions about \$239,302.

Cumulative Savings for MHEC Member States through June 2012

MHEC Member States	Cost Savings Programs			Other Initiatives	Student Access	Savings	Commitment
	Computing Hardware Program ¹	Computing Software Program ²	Master Property Program (Insurance) ^{3, 6, 7}	Other Initiatives ⁴	Midwest Student Exchange Program (Reduced Tuition) ⁵	Cumulative STATE Savings	Cumulative State Commitment Paid through 7/01/2012
Illinois August 20, 1991	49,813,299	3,278,858	32,205,640	15,672,186	1,819,723	102,789,706	1,484,659
Indiana March 14, 1996	18,361,717	1,570,705	228,911	5,358,571	1,602,400	27,122,305	1,311,500
Iowa June 6, 2005	3,567,700	293,571	201,532	231,371	NA	4,294,175	650,000
Kansas April 25, 1990	3,974,010	1,241,167	734,131	3,025,262	49,228,133	58,202,705	1,482,300
Michigan July 24, 1990	32,095,780	2,717,981	13,943,292	43,222,866	23,276,419	115,256,338	1,485,500
Minnesota April 26, 1990	7,430,319	1,396,155	11,912,803	10,876,074	9,435,245	41,050,595	1,485,500
Missouri May 9, 1990	10,395,120	1,345,855	17,707,605	5,484,930	23,095,755	58,029,266	1,485,500
Nebraska June 5, 1991	3,312,198	929,478	7,372,128	2,127,919	39,165,350	52,907,073	1,485,500
North Dakota April 22, 1999	641,169	235,890	NA	1,000,822	1,876,524	3,754,405	1,137,500
Ohio January 9, 1991	21,118,873	2,422,091	45,000	32,198,285	NA	55,784,249	1,485,500
South Dakota March 13, 2008	123,919	172,243	85,000	NA	NA	381,162	380,000
Wisconsin April 18, 1994	9,188,533	300,774	NA	6,747,463	13,588,570	29,825,340	1,345,000
TOTAL	\$160,022,638	\$15,904,766	\$84,436,043	\$125,945,750	\$163,088,120	\$549,110,785	\$15,218,459

Footnotes:

1. Hardware program savings include those from Dell, HP, Lenovo, Juniper, Enterasys, Systemax, Mitel, Sun, and Xerox.
2. Software program savings are from the Novell/MHEC Collaborative Program, Oracle, and Open Systems.
3. Based on premium and loss information as of June 30, 2012.
4. Other initiatives are sunsetted programs: office products, telecommunications, equipment maintenance, academic scheduling, interactive video, and APN.
5. Student tuition savings through the academic year 2011-2012.
6. Iowa State University asked MHEC to bid their property insurance for FY 2009. The MHEC bid, with a much lower deductible, was \$186,205 less per year than ISU was paying. ISU selected their current carrier at a price of \$858,824 or \$201,532 less than paid in FY 2008.
7. In 2009 the SD Office of Risk Management requested a quote for property insurance at its six SD Regent institutions. Even though the SD Office of Risk Management kept its current carrier, they indicated the MHEC quote saved the institutions about \$85,000. In 2012, another quote request was made, resulting in an additional savings to SD totalling \$239,302 for 2012-2013.

Student Access

MHEC recognizes that access to and success in postsecondary education and training opportunities are essential for individuals to succeed and is critical to the civic and economic development of Midwestern states, the region, and the nation. Therefore, a regional commitment to postsecondary access and

success is significant given the need to become more competitive as a region in an emerging global economy, with demographic shifts in the number of high school graduates, gaps in educational attainment rates among racial and ethnic groups, and an increasing interest in higher education from political leadership.

Midwest Student Exchange Program (MSEP)

- Provides reduced tuition for students from IL, IN, KS, MI, MN, MO, NE, ND, and WI.
- State approval required for institutions to participate.
- Institutions' participation is voluntary.
- 100+ campuses open their doors to MSEP students.
- Since 1994, students and families have saved over \$163 million.

2011-12 Highlights

- Illinois joined as a participating state in 2011, effective fall 2011.
- Students and families saved nearly \$20 million.

**MSEP Participation by
Home State of Residence
2011-12 School Year**

State	Enrollment
Illinois	531
Indiana	174
Kansas	495
Michigan	607
Minnesota	210
Missouri	356
Nebraska	614
North Dakota	53
Wisconsin	503
Total	3,543

**Average MSEP Savings by
Students' Home State of Residence
2011-12 School Year**

State	Average Savings
Illinois	\$ 3,427
Indiana	\$ 3,978
Kansas	\$ 7,440
Michigan	\$ 5,522
Minnesota	\$ 7,180
Missouri	\$ 6,520
Nebraska	\$ 4,979
North Dakota	\$ 5,726
Wisconsin	\$ 6,480
MSEP Average	\$ 5,644

**MSEP Participation by
Campus State
2011-12 School Year**

State	Campus State Enrollment
Illinois	0
Indiana	295
Kansas	297
Michigan	384
Minnesota	81
Missouri	1,005
Nebraska	266
North Dakota	700
Wisconsin	515
Total	3,543

**MSEP Participation by
Student Status
2011-12 School Year**

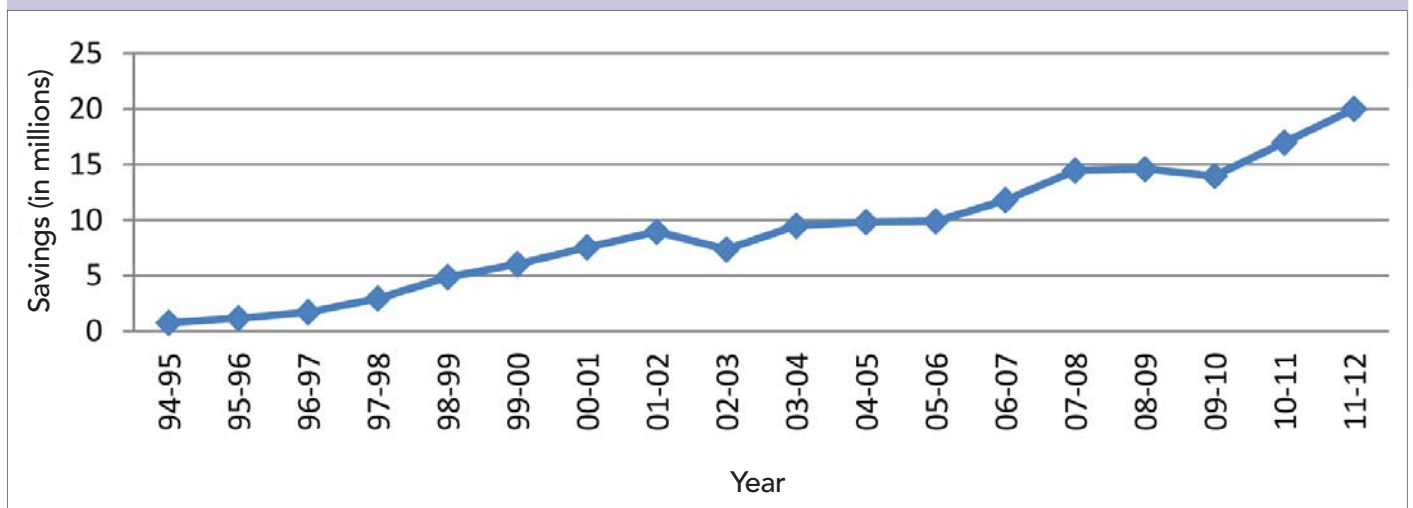
Status	Count of Students
Entering	1,441
Continuing	2,014
Unknown	88
Total	3,543

Midwest Student Migration Trends Residence and Migration of All First-Year Students in Degree-Granting Institutions, 2008

State	Import/ Export Ratio (1=Importer)	Net In Migration	In Migration	Out Migration	Freshmen Students Enrolled	In-State Students Attending Anywhere	In-State Students Attending In State	% of Students Attending In-State
Illinois	0.90	-3,045	26,231	29,276	119,139	122,184	92,908	76.0%
Indiana	2.01	8,323	16,539	8,216	73,439	65,116	56,900	87.4%
Iowa	4.30	14,198	18,503	4,305	44,777	30,579	26,274	85.9%
Kansas	1.47	2,095	6,552	4,457	29,593	27,498	23,041	83.8%
Michigan	0.67	-4,016	8,144	12,160	96,416	100,432	88,272	87.9%
Minnesota	0.76	-3,360	10,886	14,246	55,023	58,383	44,137	75.6%
Missouri	1.18	1,746	11,386	9,640	57,833	56,087	46,447	82.8%
Nebraska	1.07	231	3,468	3,237	18,109	17,878	14,641	81.9%
North Dakota	2.18	2,111	3,905	1,794	8,733	6,622	4,828	72.9%
Ohio	0.76	-4,709	14,949	19,658	108,929	113,638	93,980	82.7%
South Dakota	1.37	745	2,756	2,011	8,920	8,175	6,164	75.4%
Wisconsin	1.03	340	10,632	10,292	58,310	57,970	47,678	82.2%
Nation	1.11	61,153	606,688	545,535	3,024,723	2,963,570	2,418,035	81.6%

Source: www.higheredinfo.org - The U.S. Department of Education, National Center for Education Statistics. *Residence and Migration of All Freshmen in Degree-Granting Institutions*. <http://www.nces.ed.gov>.

MSEP Tuition Savings Growth 1994-95 through 2011-12 School Years



**MSEP Degree Program Participation
(Based on NCES CIP Codes)
2011-12 School Year**

Degree Program	Count of Students
Business, Management, Marketing, and Related Support Services	418
Health Professions and Related Clinical Sciences	316
Education	299
Visual and Performing Arts	199
Communication, Journalism, and Related Programs	172
Engineering	165
Biological and Biomedical Sciences	164
Parks, Recreation, Leisure, and Fitness Studies	158
Non-Degree	147
Psychology	145
Undecided	131
Liberal Arts and Sciences, General Studies and Humanities	116
Social Sciences	91
Transportation and Materials Moving	89
Engineering Technologies/Technicians	83
Agriculture, Agriculture Operations, and Related Sciences	82
Family and Consumer Sciences/Human Sciences	65
Architecture and Related Services	62
Multi/Interdisciplinary Studies	60
Physical Sciences	58
Security and Protective Services	56
English Language and Literature/Letters	53
Natural Resources and Conservation	51
Mechanic and Repair Technology/Technicians	39
Computer and Information Sciences and Support Services	38
Public Administration and Social Service Professions	36
History	30
Mathematics and Statistics	28
Precision Production	26
All Others	166
Total	3,543

Classification of Institutional Programs (CIP) Codes

- First collected by MHEC in 2007-08
- Provides a taxonomic scheme for tracking, reporting, and assessment of degree programs
- Created by the U.S. Department of Education

e-Transcript Initiative

- The MHEC ETI is a comprehensive intraregional electronic transcript initiative available to all secondary and postsecondary schools, both public and private.
- Docufide by Parchment was selected in 2006 as the providing vendor through a full RFP process.
- The ETI Project Advisory Committee (ETI PAC) will engage in a bid process over the winter of 2012-13 as a result of the conclusion of the contract with Docufide by Parchment.



Eight states already using the contract:

- Illinois, Indiana, Kansas, Michigan, Minnesota, Nebraska, Ohio, and Wisconsin

Core Services

- HS transcripts from member high schools to member colleges
- HS transcripts between member high schools
- College transcripts between member colleges

e-Transcript Initiative Program Usage

High School Sender Network	% of Schools Registered	% of Schools Live	2011-12 Academic Year Usage*	Total Usage Since Inception**
Illinois	32%	25%	77,140	120,159
Indiana	93%	72%	153,301	512,051
Kansas	91%	71%	31,222	48,119
Michigan	83%	71%	255,588	484,651
Minnesota	13%	12%	113,257	321,482
Nebraska	85%	73%	27,492	38,381
Ohio	0%	0%	0	0
Wisconsin	28%	27%	104,202	202,655

*Academic year defined at 9/1/2011 – 8/31/2012.

**Reflects usage through October 31, 2012, Ohio is currently launching ETI.

Postsecondary Sender Network	% of Schools Registered	% of Schools Live	2011-12 Academic Year Usage*	Total Usage Since Inception**
Kansas	22%	19%	33,431	40,308
Michigan	38%	31%	21,607	31,097

*Academic year defined at 9/1/2011 – 8/31/2012.

**Reflects usage through October 31, 2012, for the two states utilizing Postsecondary Sender services.

Policy Research

As part of its mission to advance education through collaboration, MHEC serves as a catalyst for collaborative actions to improve the quality, accessibility, effectiveness, and efficiency of postsecondary education programs. This includes two interrelated sets of activities: 1) facilitating dialogue among higher education researchers, policymakers, and practitioners; and 2) conducting research and disseminating information that helps institutions and state governments develop policies and implement practices that improve postsecondary opportunity, completion, and productivity, and that furthers the connection between higher education and the workplace to the benefit of students, employers, and the region's economy. MHEC pursues these goals in several ways:

- Conducting and disseminating research on postsecondary education policy issues of perennial concern to educators and policymakers and on other timely and significant issues that arise on the postsecondary education landscape;
 - Reporting key performance indicators on postsecondary education for each state, including workforce demands, preparation for college, student retention and completion rates, and finance and affordability;
 - Organizing annual summits and occasional forums for policymakers, educators, business leaders, and others to share best practices and foster interstate and inter-sector dialogue and problem solving;
 - Leading programmatic initiatives that bring together groups of higher education stakeholders across institutional sectors and across state lines to address issues and solve problems of common concern; and
 - Responding to individual requests for data and information from higher education researchers, policymakers, and stakeholders.
- MHEC's 7th annual higher education policy summit, *Ready or Not Here They Come: Ensuring the College Success of All Students*, was held in Iowa City, Iowa, November 14-15, 2011, and focused on three core dimensions of college readiness: academic preparation; financial planning and literacy; and non-cognitive variables such as awareness, aspirations, motivation, and resilience;
 - The MHEC Cross-State "Tuning" initiative, a effort involving teams of college and university faculty from Illinois, Indiana, and Missouri in the fields of psychology and marketing to define what students should know, understand, and be able to do at the point of degree (associate, bachelor's, and master's degrees);
 - The "HigherEd Redesign" Initiative, a collaborative effort with the University of Minnesota's College of Design and College of Education to use principles and practices from product design and the creative industries in an effort to redesign higher education models, processes, and practices;
 - The "State Authorization" initiative, aims to ease the process for colleges and universities that want to offer distance education programs and courses to students living in other states through development of a reciprocal agreement among MHEC states;
 - Policy briefs and monographs, including a report on college readiness and a summary of MHEC's "Difficult Dialogues" initiative regarding the challenge to get more citizens into and through college while controlling costs and ensuring quality; and
 - Research partnerships and collaborations with individual institutions and higher education associations regionally and nationally.

In 2011-12, MHEC engaged in numerous individual initiatives and efforts to inform policymaking and improve higher education practice, including the following:

Annual Report of State Performance Indicators

What follows is a snapshot of performance indicators for postsecondary education in your state. The data and associated graphics are designed to tell a story of the projected labor market demand for postsecondary education and training in your state, the current education levels and postsecondary participation rates of your state's citizens, and the various factors that will influence your state's ability to close the projected credentials gap and sustain economic and social health and well-being.

This is particularly critical to Midwestern states, which collectively are expected to grow at a slower rate than the rest of the nation through 2030. The Midwest will also experience a continued gradual aging of its population due to reduced birth rates and net out-migration, and an overall decline in its primary workforce (18- to 64-year-olds) by 2030.

Data are presented for your state and for five peer states, along with U.S. and regional averages where appropriate. Peer states were identified by considering similarities among states in demographics, in taxable resources and family income, and in labor market conditions. Peer states were drawn from throughout the nation. For some MHEC states, peers are represented by their Midwestern neighbors; for other MHEC states, peers are mainly states located in other regions of the country.

After a discussion of data from Georgetown University on the educational requirements of job openings by the year 2018, the report data are grouped into the following policy domains:

1. Target Outcomes (Postsecondary Enrollment, Degree Progress and Completion, and System Efficiency)
2. Leverage Points (Academic Preparation, Financial Access, and Institutional Effectiveness and Efficiency)
3. Policy Instruments (Financial Investments and Quality Standards)
4. International Perspectives

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Increasing Educational Attainment in Iowa: An Imperative for Future Prosperity

Technological advancement, global competition, and other labor market forces are driving an increasing demand for postsecondary education and training. In the United States, approximately 63 percent of all jobs in 2018 will require some level of postsecondary education, and the demand will reach 64 percent in Iowa.¹ The demand for postsecondary education in Iowa will be heavily concentrated in professional, STEM, community service, education, and healthcare industries (see Figure 1).² Demand will be lowest in “blue collar” industries, including farming, fishing, forestry, construction and extraction, installation, maintenance, production, and transportation.

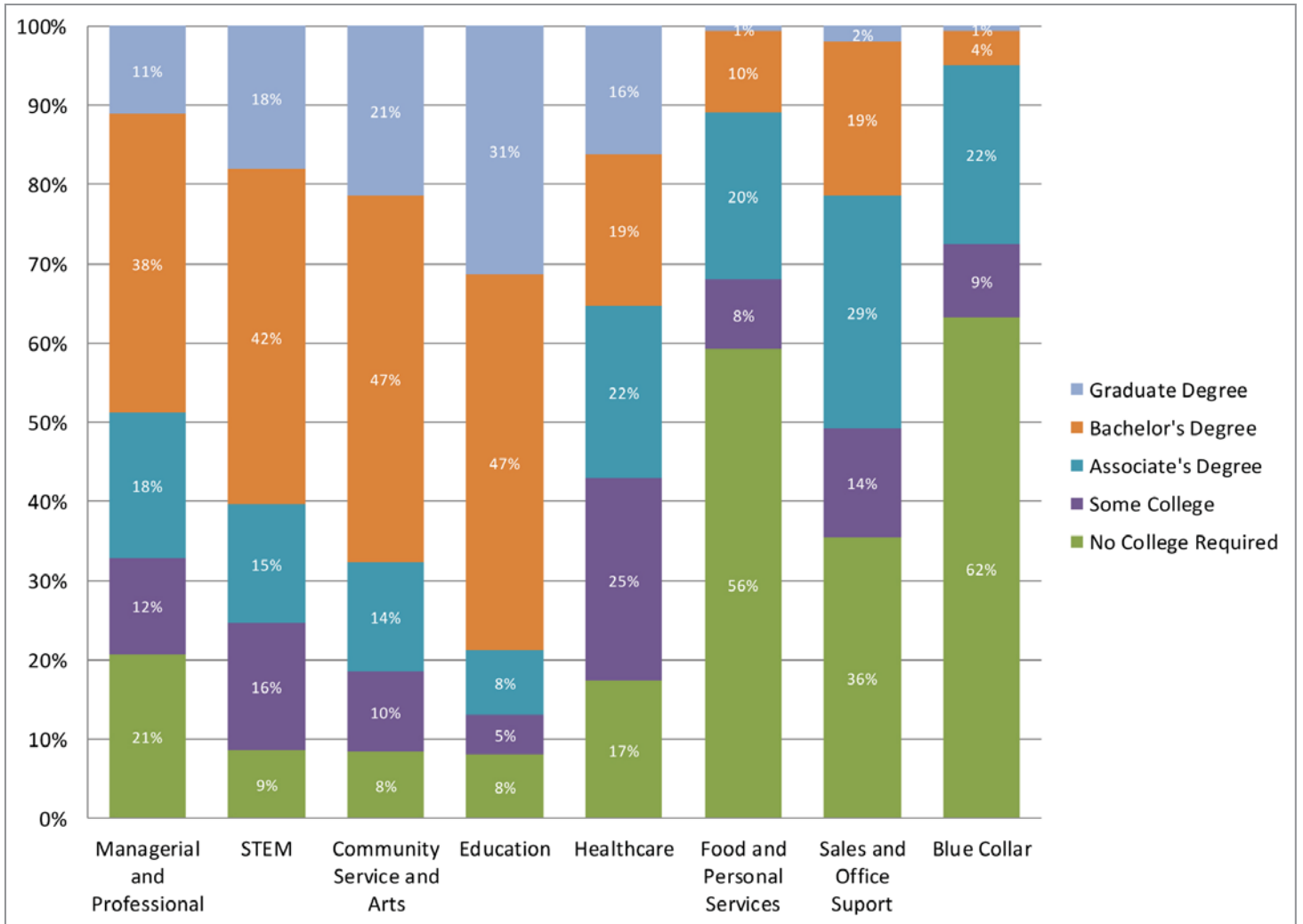
These same projections for 2018 suggest that the demand for adults who possess an associate’s degree or higher could reach 60 percent by 2025. This scenario has helped to guide Lumina Foundation’s state-by-state assessment of degree production trends.³ If the historical rate of educational attainment in Iowa were to remain constant through 2025, approximately 50 percent of adults would possess an associate’s degree or higher. *Accordingly, a degree gap of 10 percentage points, or approximately 151,487 degrees, is projected in Iowa by 2025 if current trends continue.*

As indicated in Figures 2a-b, the ability of policymakers to close the degree gap carries significant implications for state revenue. If the current rate of degree production remains constant, state revenue in 2025 will be \$14 million less than it is today. Conversely, if the degree gap is closed, nearly \$250 million in additional revenue will be generated through income tax, sales tax, property tax, Medicaid savings, and corrections savings. Moreover, policies that effectively raise levels of educational attainment will yield important civic and health benefits.⁴ Indeed, Table 1 indicates that rates of voting, volunteerism, and healthful prenatal care are higher among individuals with at least a bachelor’s degree than those with only a high school diploma or GED.⁵ Health risk factors such as smoking are less prevalent among individuals who have a bachelor’s degree or higher. Residents of Iowa also benefit from

higher education in terms of higher earnings and lower unemployment.

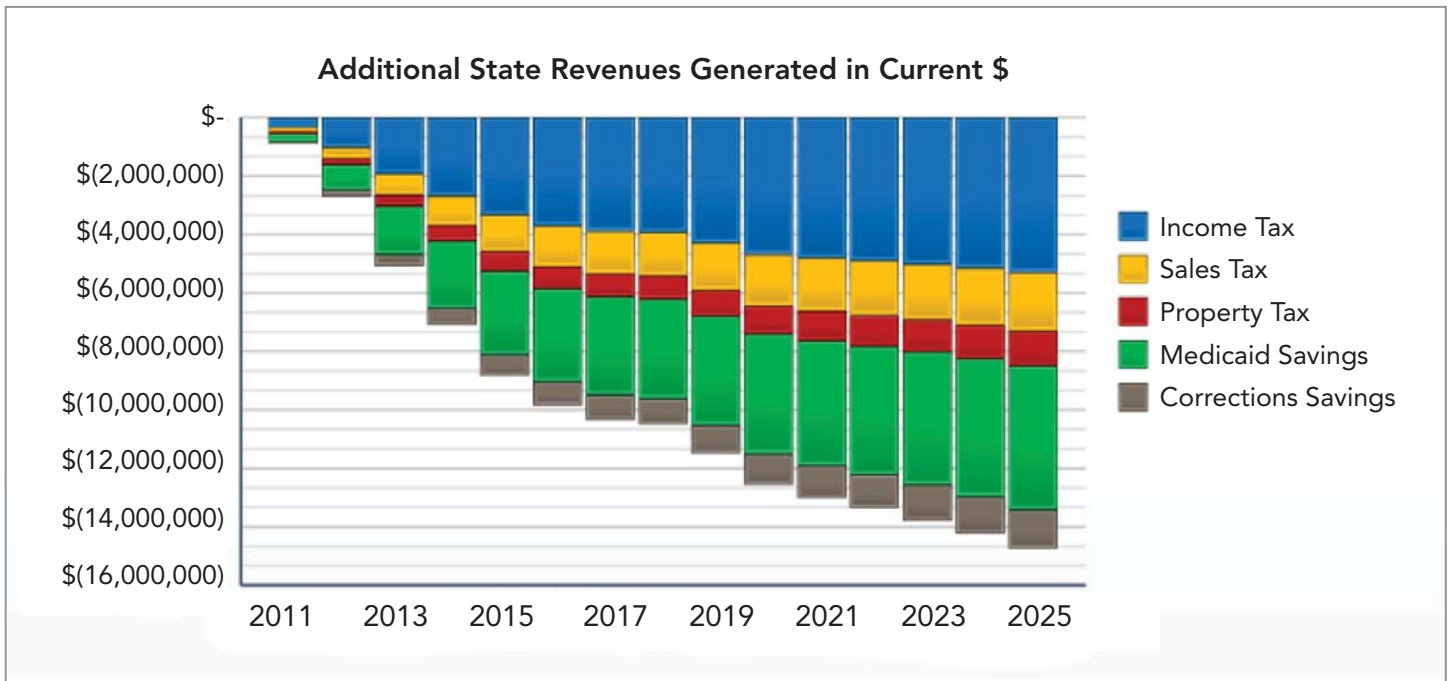
This report portrays various performance indicators that are intended to facilitate an assessment of the postsecondary education system in your state. Data are presented for your state and five other comparison states as well as the nation. Comparison states were selected according to the degree of similarity of population characteristics, capital advantages, and market conditions.⁶ Indicators in the first section, *Target Outcomes*, assess progress towards the key goal of increasing the number of people who enroll and complete college as efficiently as possible. The second section, *Leverage Points*, provides indicators relevant to intermediate outcomes associated with postsecondary degree production, including academic preparation, financial access, and institutional effectiveness. The final section, *Policy Instruments*, focuses on some of the system resources and policies needed to influence leverage points and target outcomes.

Figure 1. Educational Requirements for All Job Openings by 2018



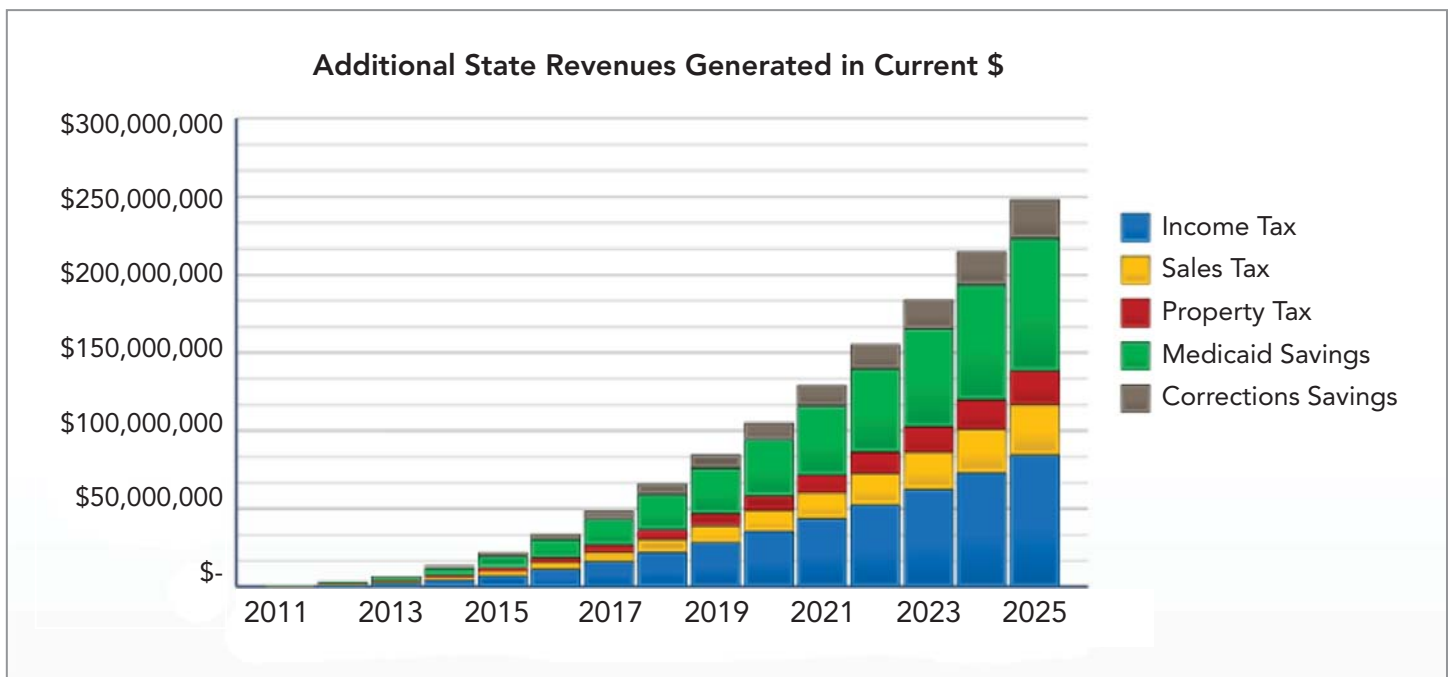
Source: The Georgetown University Center on Education and the Workforce. (2010). *Help wanted: Projections of jobs and education requirements through 2018*.

Figure 2a. State Revenues Generated from the Current Rate of Degree Production



Source: National Center for Higher Education Management Systems and CLASP. (2012). *Calculating the economic value of increasing college credentials by 2025*.

Figure 2b. State Revenues Generated from Closing the Degree Gap



Source: National Center for Higher Education Management Systems and CLASP. (2012). *Calculating the economic value of increasing college credentials by 2025*.

Table 1. Civic, Health, and Economic Benefits of Higher Education

Benefit Type	Iowa	Top Comparison State	National Average
CIVIC			
Voting rate in the 2008 presidential election among individuals with a high school diploma vs. bachelor's degree ⁷	–	–	55%/77%
Volunteerism rate among individuals with a high school diploma vs. bachelor's degree or higher ⁸	–	–	17.9%/42.3%
HEALTH			
Percentage of mothers 20 years of age and older with low birthweight live births (less than 5.5 pounds): High school diploma vs. bachelor's degree or higher ⁹	–	–	8.3%/6.8%
Breastfeeding among mothers 15-44 years of age: High school diploma vs. bachelor's degree ¹⁰	–	–	43.2%/74.6%
Age-adjusted prevalence of smoking among persons 25 years of age and older: High school diploma vs. bachelor's degree ¹¹	–	–	28.7%/9.0%
ECONOMIC			
Average difference in earnings between associate's degree/some college and high school diploma in 2010 (25 years and older) ¹²	\$4,979	\$6,229 (Minnesota)	\$5,579
Average difference in earnings between bachelor's degree and high school diploma in 2010 (25 years and older) ¹³	\$15,468	\$22,618 (Illinois)	\$21,073
Average unemployment rate in 2010: High school diploma vs. bachelor's degree ¹⁴	6.9%/2.3%	1.7% (South Dakota)	10.3%/5.4%
Difference in median state income tax revenue: High school diploma vs. bachelor's degree ¹⁵	\$1,136	\$1,500 (Minnesota)	–

Postsecondary Enrollment

Postsecondary enrollment has steadily grown over the past few decades as the perceived value of postsecondary credentials has risen. Total undergraduate enrollment in the nation's degree-granting institutions increased by 34 percent between 2000 and 2009, from 13.2 million to 17.6 million.¹⁶ Nonetheless, enrollment gaps remain among some demographic segments, such as those defined by race/ethnicity, socioeconomic status, and age. The identification of these gaps can inform strategies for reducing access barriers and expanding postsecondary enrollment and educational opportunity.

Indicators presented in this section include:

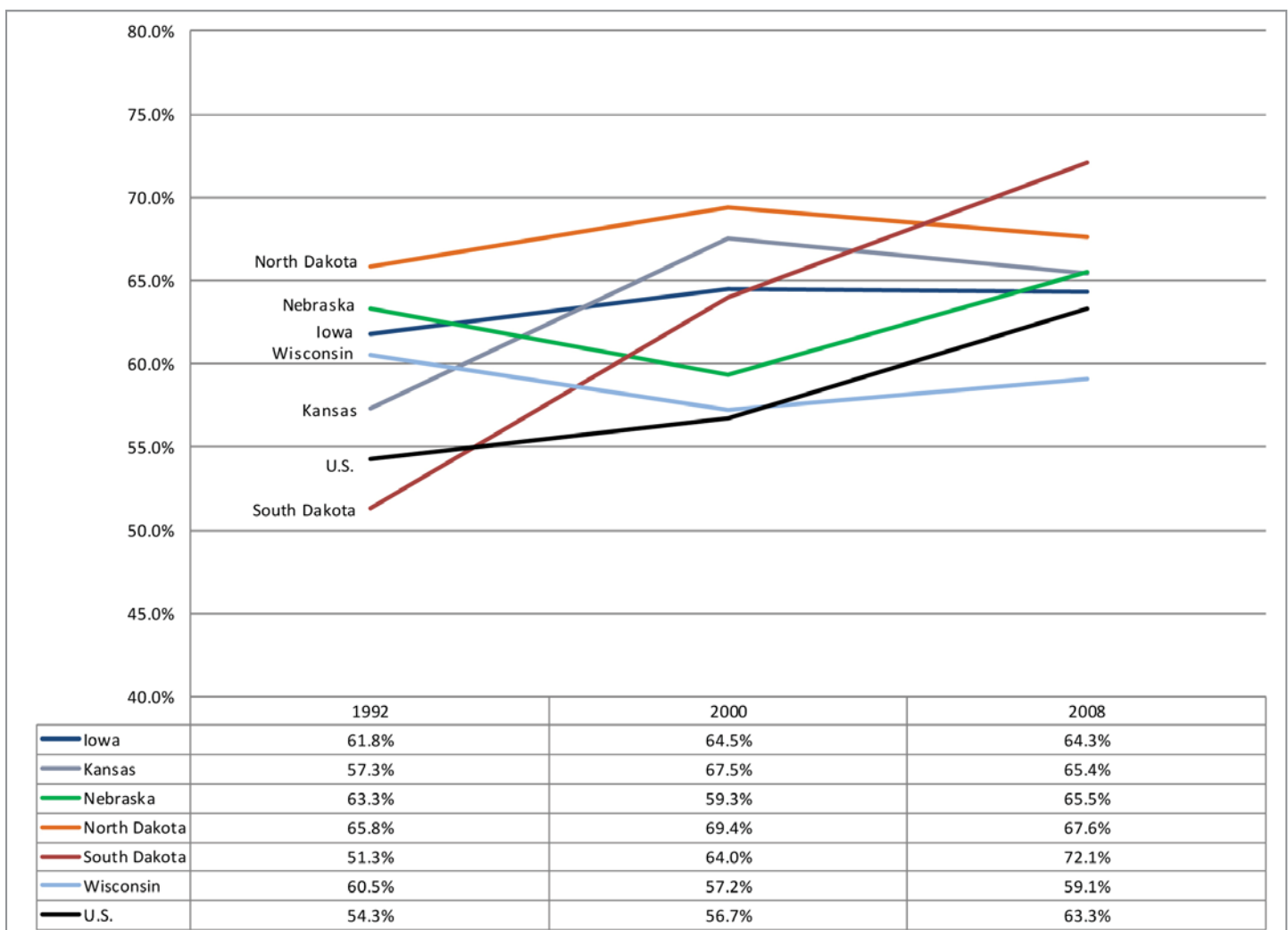
- College enrollment directly after high school
- Postsecondary enrollment among older adults
- Undergraduate enrollment by race/ethnicity
- Postsecondary enrollment among low-income students

College Enrollment Directly After High School

High school seniors bound for college make a crucial decision of whether to enroll in college immediately after graduating from high school or to delay enrollment for a semester or longer. The decision is consequential since postponed enrollment is associated with future obstacles to degree completion, such as the decay of academic skills and knowledge, the loss of relevant social capital (e.g., college-oriented friends, counselors), and the adoption of competing roles and obligations (e.g., work, marriage, family). Recent

research has indicated that the odds of obtaining a bachelor's degree decrease by 5 percent for every month that a student delays postsecondary enrollment after graduating from high school.¹⁷ The rate of direct enrollment is thus a valid concern for policymakers. As indicated in Figure 3, approximately 64 percent of high school graduates in Iowa directly enroll in college, which is higher than the national average but lower than the rates in several peer states.

Figure 3. Percentage of High School Graduates Going Directly to College



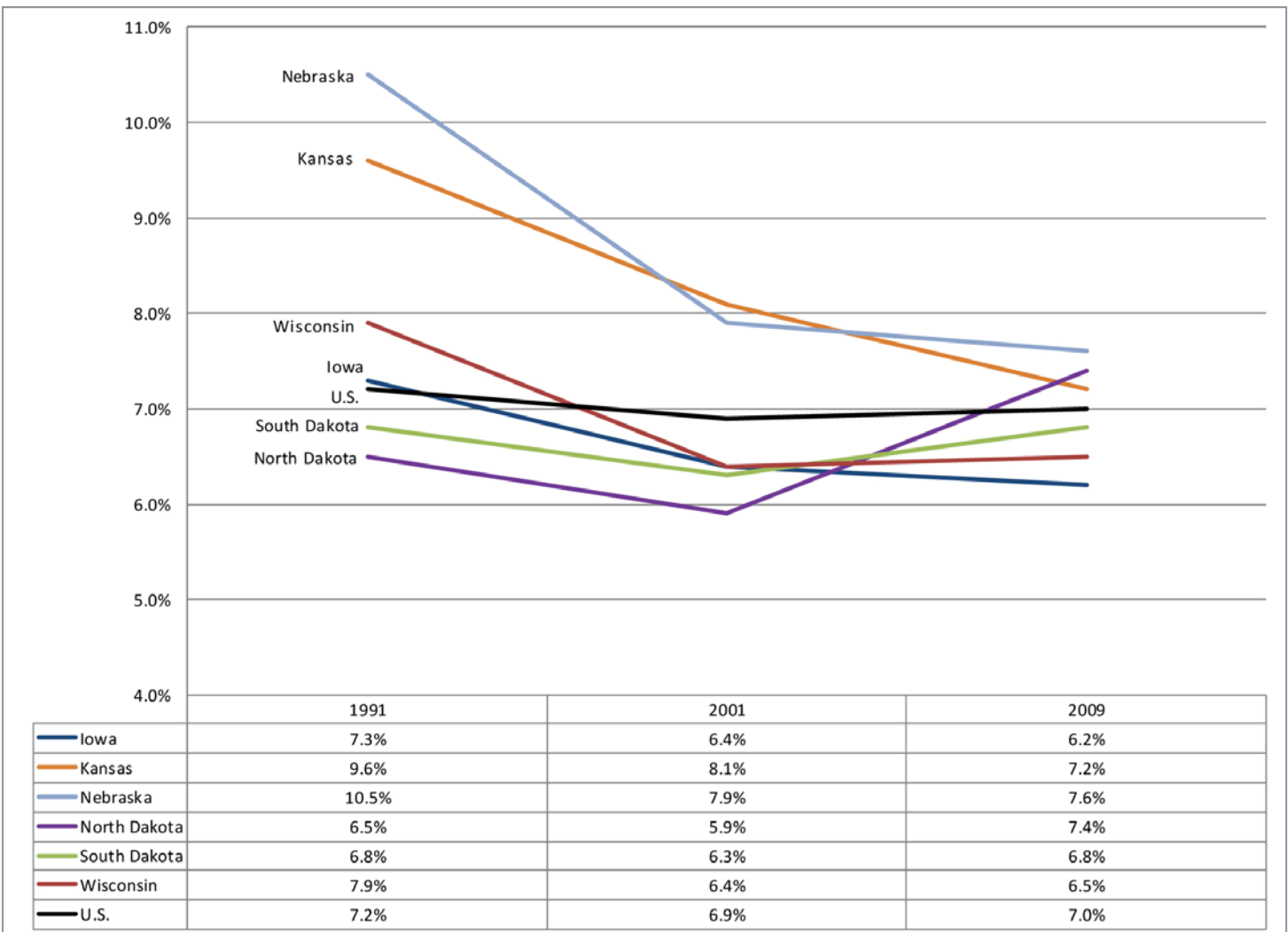
Source: National Center for Higher Education Management Systems. (2012). *College-going rates of high school graduates enrolling directly from high school*.

Postsecondary Enrollment among Older Adults

The expansion of postsecondary opportunities for older adults is particularly crucial for meeting future workforce demands. Figure 4 depicts the proportion of older adults enrolled in postsecondary education. In Iowa, the proportion of older residents enrolled in

college decreased between 1991 and 2009. Iowa's current rate of enrollment among residents aged 25-49 without a bachelor's degree (6 percent) is slightly below the national average and the rates in several peer states.

**Figure 4. Percentage of Population Enrolled in College:
Persons Aged 25-49 without a Bachelor's Degree**



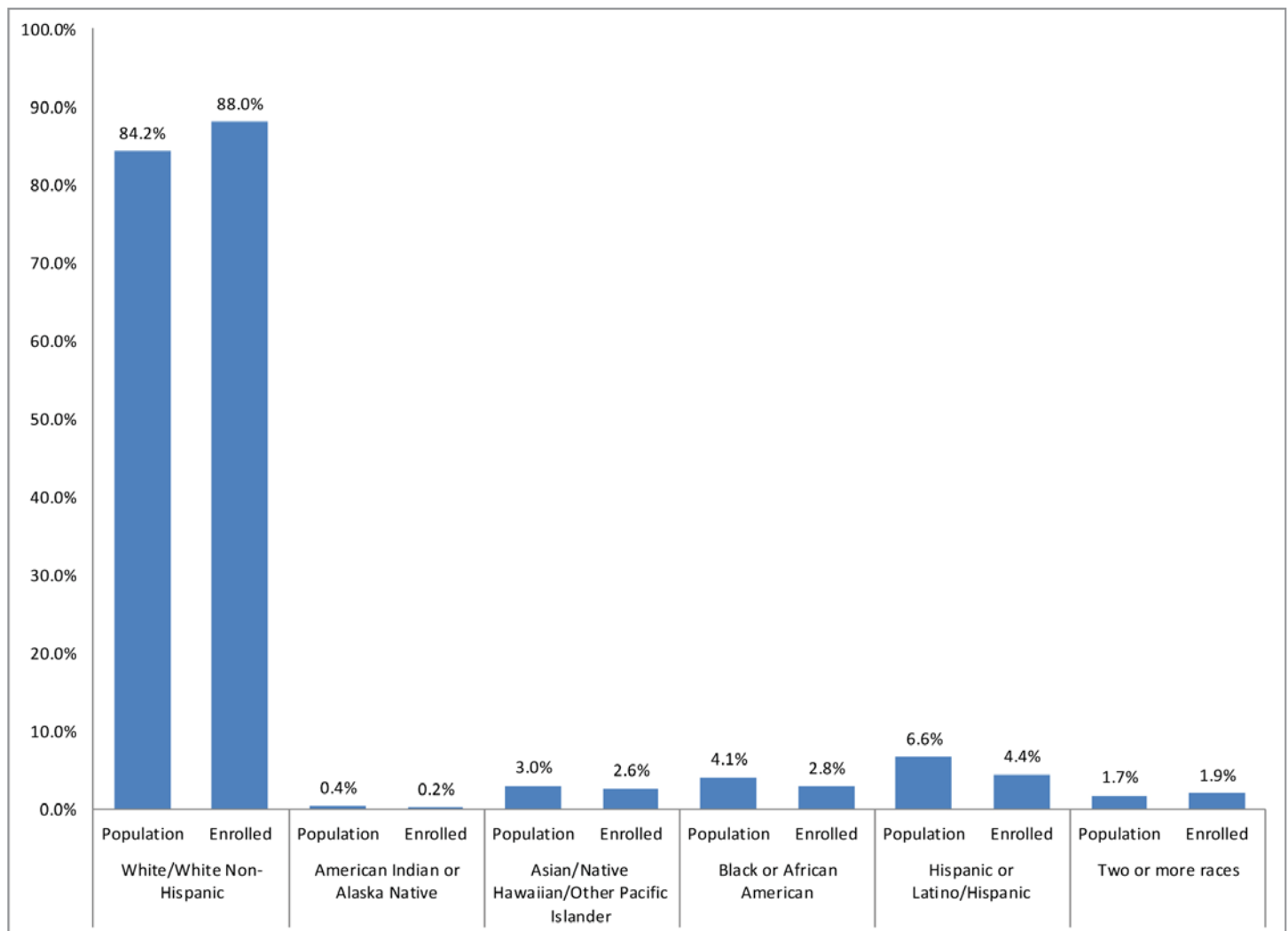
Source: National Center for Higher Education Management Systems. (2011). *Enrollment of 25-49 year olds as a percent of 25-49 year olds with no bachelor's degree or higher.*

Undergraduate Enrollment by Race/Ethnicity

The postsecondary enrollment of traditionally under-represented students has been a priority in states committed to promoting equal opportunity and economic growth, particularly as state populations become more racially and ethnically diverse. Figure 5 provides a comparison of the demographic

composition of state populations aged 18-24 to current postsecondary enrollment. While residents of non-White backgrounds aged 18-24 comprise 16 percent of the population in Iowa, only 12 percent of full-time undergraduate students (any age) at public 4-year institutions are of non-White race/ethnicity.¹⁸

Figure 5. Iowa State Racial Composition for Persons Aged 18-24 and First-Time, Full-Time, Degree-Seeking Student Enrollment in Iowa Public 4-year Institutions



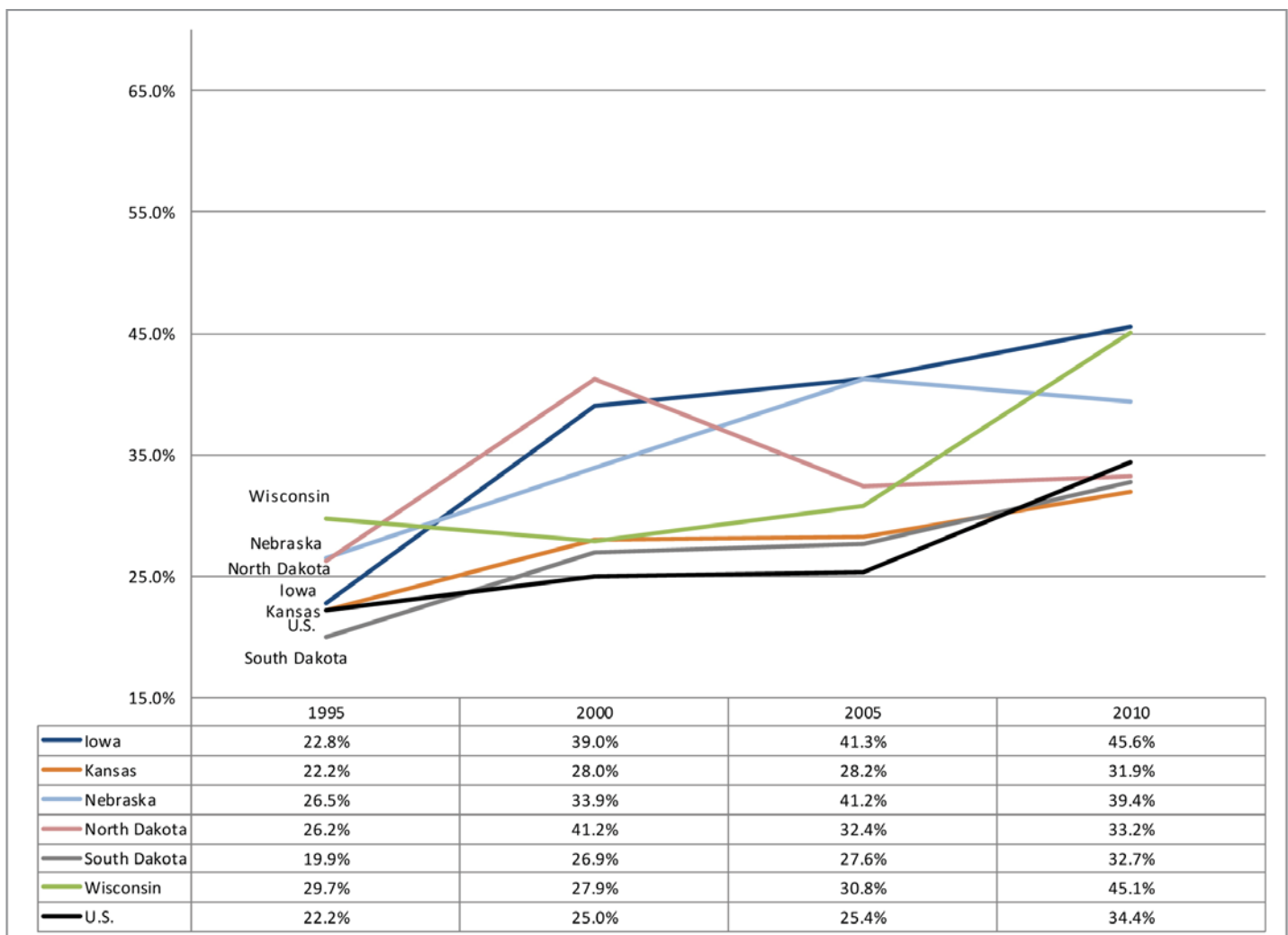
Source: U.S. Census Bureau. (2012). *2010 U.S. Census Summary Files*. Integrated Postsecondary Education Data System. (2011). *Student enrollment: 2010*.

Postsecondary Enrollment among Low-Income Students

Students from low-income families have traditionally faced academic, social, and financial barriers to college enrollment. States continue to address such barriers through PK-12 improvement initiatives, postsecondary encouragement programs, and student grant aid. The

rate of enrollment among low-income students has steadily increased in Iowa over the past decade (see Figure 6).¹⁹ The current rate of 46 percent is above the national average and the rates observed in peer states.

Figure 6. Undergraduate Enrollment Rate of Low-Income Students over Time



Source: Postsecondary Education Opportunity. (2011). *College participation rates for students from low income families by state.*

Student Persistence and Degree Completion

While many states have made significant gains in the rate of postsecondary enrollment, rates of degree completion across the nation have largely remained steady and below the level expected by policymakers. Nationally, only 29 percent of students who enroll in a 2-year college graduate within 3 years, and 56 percent of students who enroll in a 4-year institution graduate with a bachelor's degree within 6 years.²⁰ The failure to complete a degree program has negative consequences for both students and states. Since employers are more likely to demand an educational credential than a specific number of postsecondary credits, a premature departure from college can severely curb one's prospects for future employment and earnings. This is partly evident in the 2010 annual average unemployment rate of individuals with some college but no degree, which was 3.8 percentage points higher than the unemployment rate of individuals with a bachelor's degree.²¹ Moreover, individuals who have attained a bachelor's degree earn 26 percent more than those who have completed 16 years of schooling without graduating from college.²² Low completion rates can thus translate into liabilities and an impoverished tax base for states and local communities.

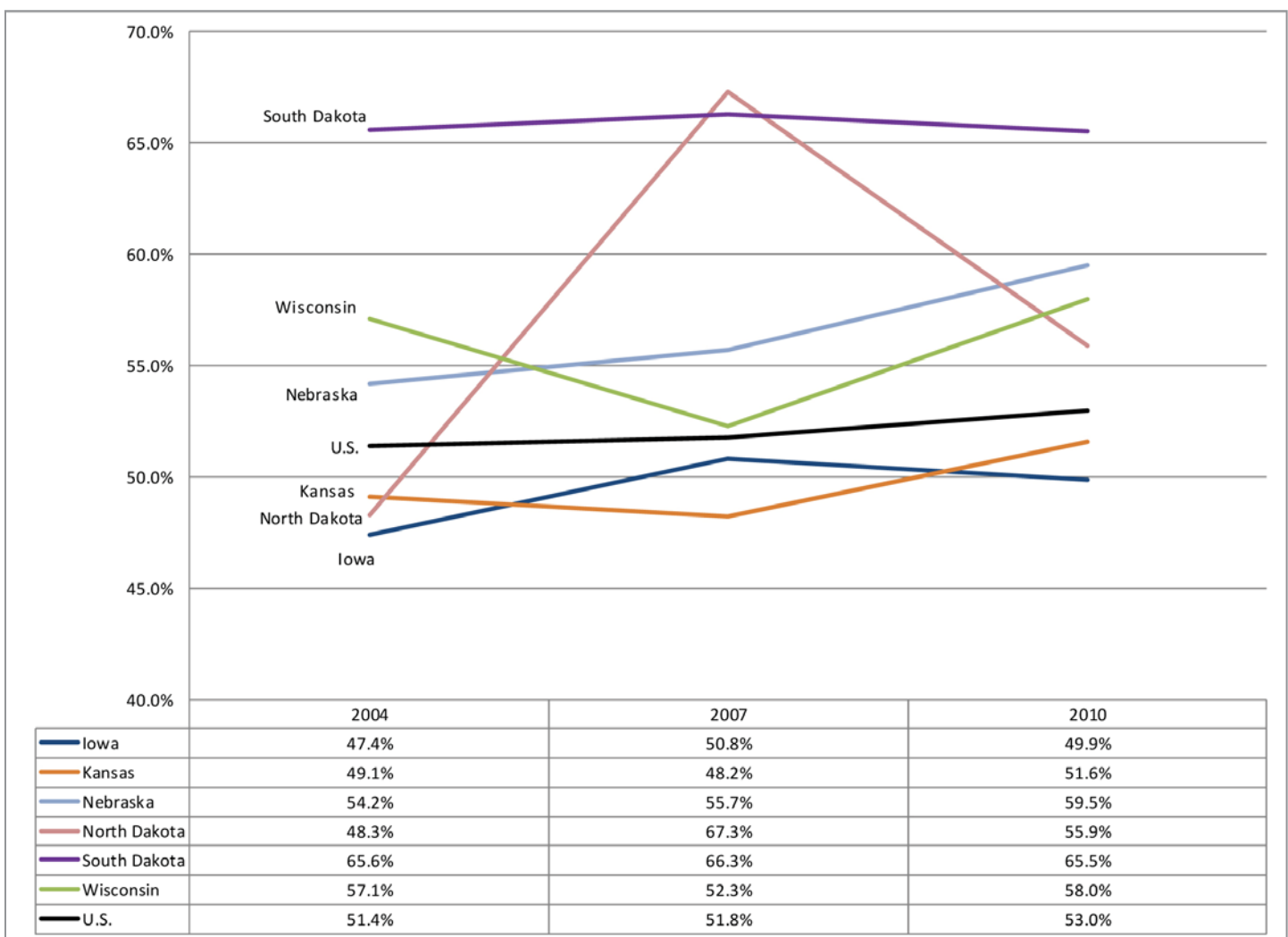
Indicators presented in this section include:

- Retention rates at public 2-year and 4-year institutions
- Graduation rates at public 2-year and 4-year institutions
- Graduation rates by ethnicity at public 4-year institutions
- Student progress through the educational pipeline
- Degrees awarded in STEM fields

Retention Rates at Public 2-year and 4-year Institutions

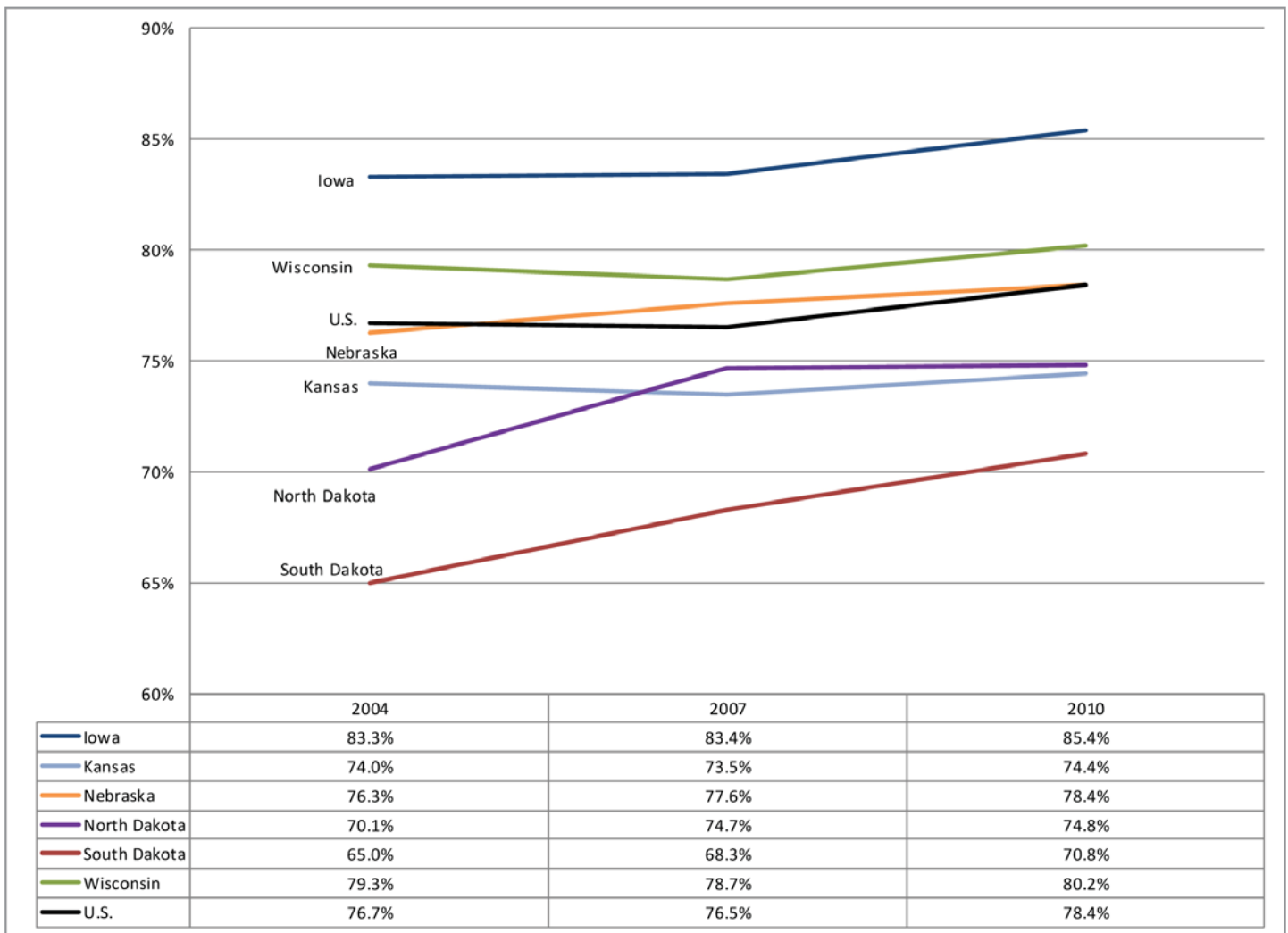
A common metric used for student retention is first-time, full-time students who are enrolled at an institution for two consecutive fall terms.²³ As indicated in Figure 7a, 50 percent of students at Iowa's public two-year institutions are retained into the second year, which is below the national average and the retention rates observed in peer states. However, the average retention rate at Iowa's public 4-year institutions (85 percent) is above the national average and the rates of comparison states (see Figure 7b).

Figure 7a. Retention Rates: First-Time Freshman Enrolling During Second Year: Public 2-year Institutions



Source: National Center for Higher Education Management Systems. (2011). *Retention rates: First-time college freshmen returning their second year.*

**Figure 7b. Retention Rates: First-Time Freshman Enrolling During Second Year:
Public 4-year Institutions**



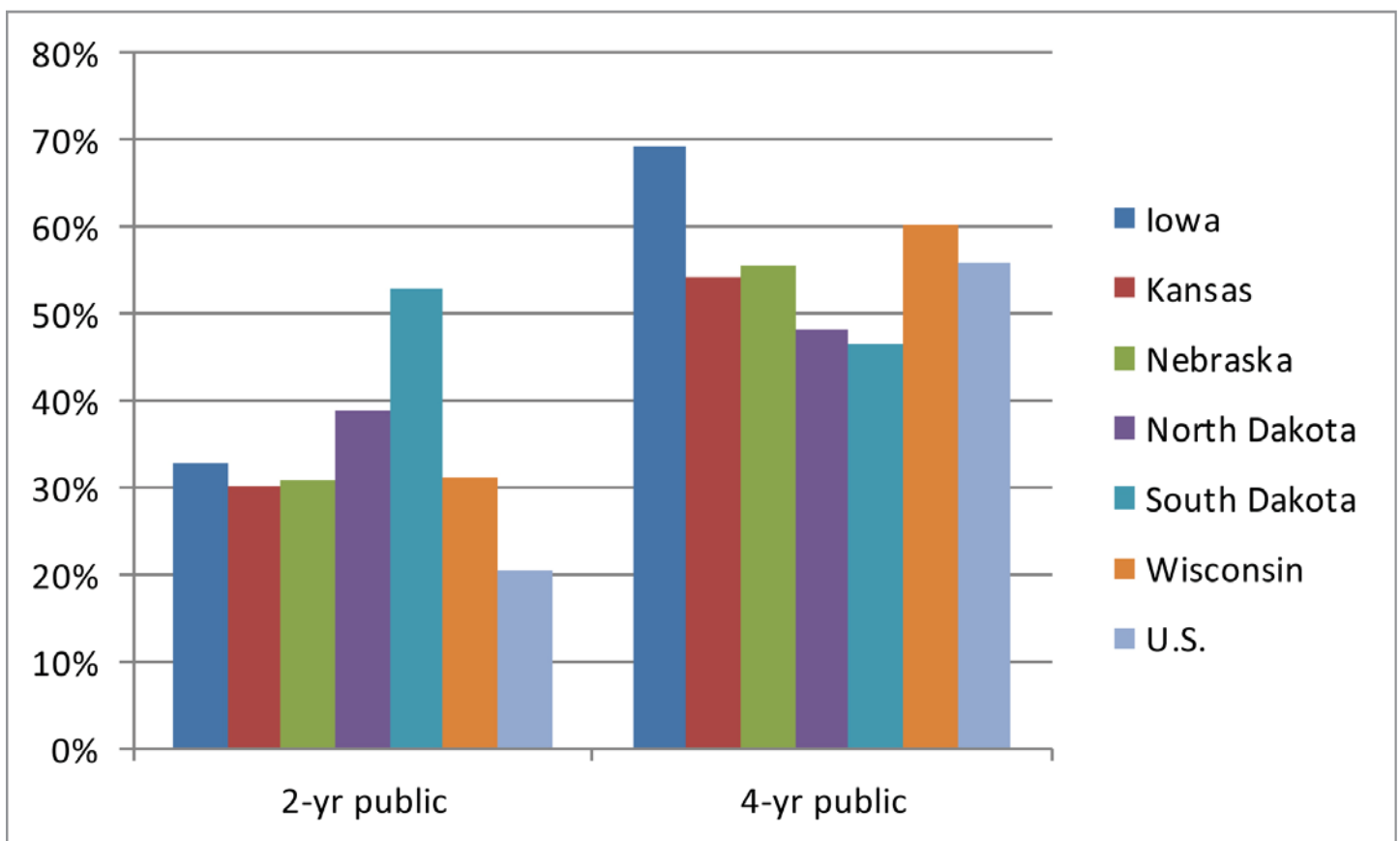
Source: National Center for Higher Education Management Systems. (2011). *Retention rates: First-time college freshmen returning their second year.*

Graduation Rates at Public 2-year and 4-year Institutions

A commonly used metric for degree completion is graduation from a 2-year institution within three years and graduation from a 4-year institution within six years. Figure 8 shows that the public 2-year graduation

rate in Iowa is above the national average. The public 4-year graduation rate in Iowa was 69 percent, which was higher than the national average and the rates of all peer states.

Figure 8. Graduation Rates at 2- and 4-year Public Institutions

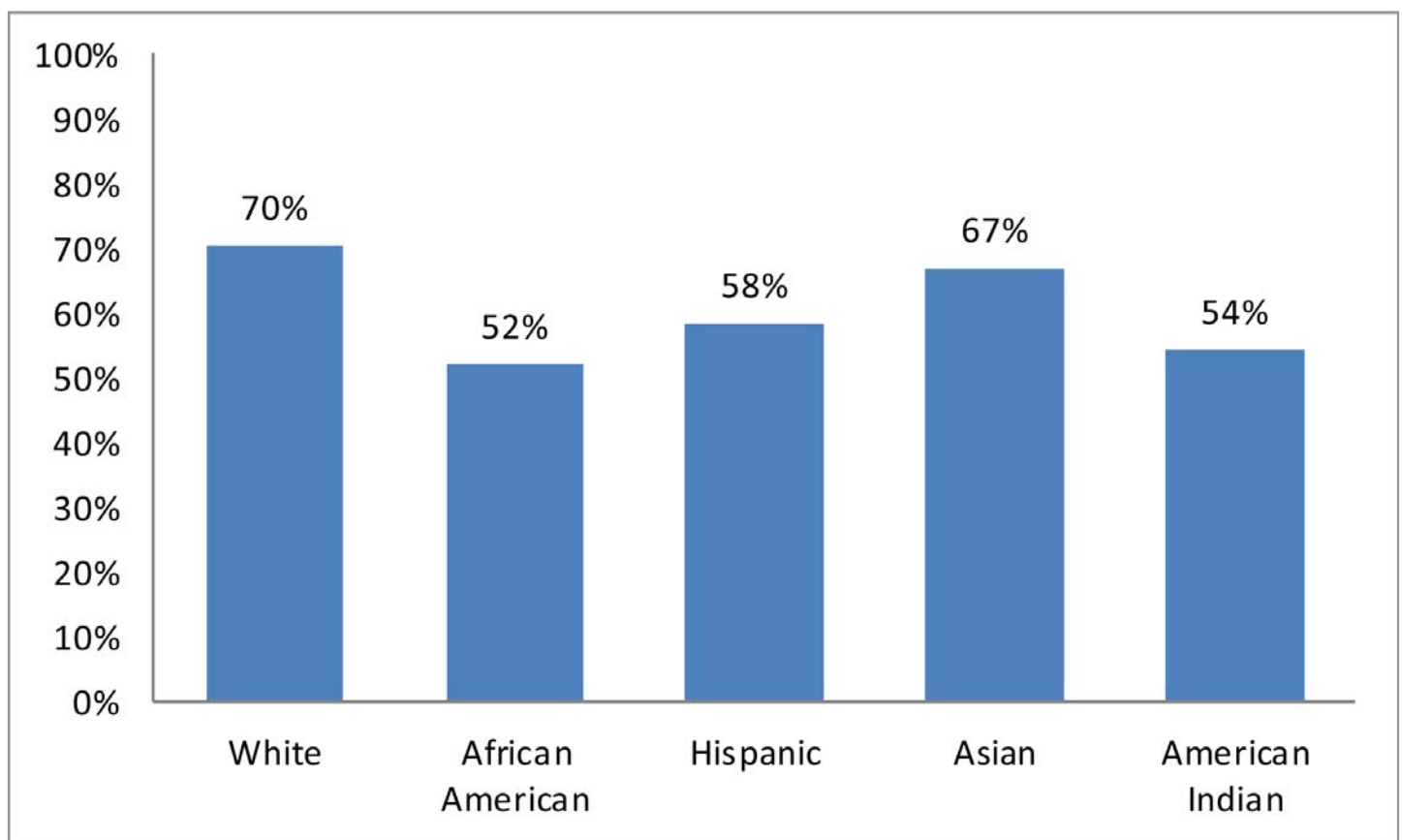


Source: Chronicle of Higher Education. (2012). *Graduation rates: 2004 and 2007 cohorts*.

Graduation Rates by Ethnicity at Public 4-Year Institutions

Figure 9 depicts the six-year graduation rates for students of various ethnic backgrounds. Graduation rates were highest among White and Asian students. Approximately 58 percent of students of Hispanic ethnicity graduate within six years of beginning college. Graduation rates are lowest among African American (52 percent) and American Indian (54 percent) students.

Figure 9. 6-Year Graduation Rates by Ethnicity at Iowa Public 4-Year Institutions



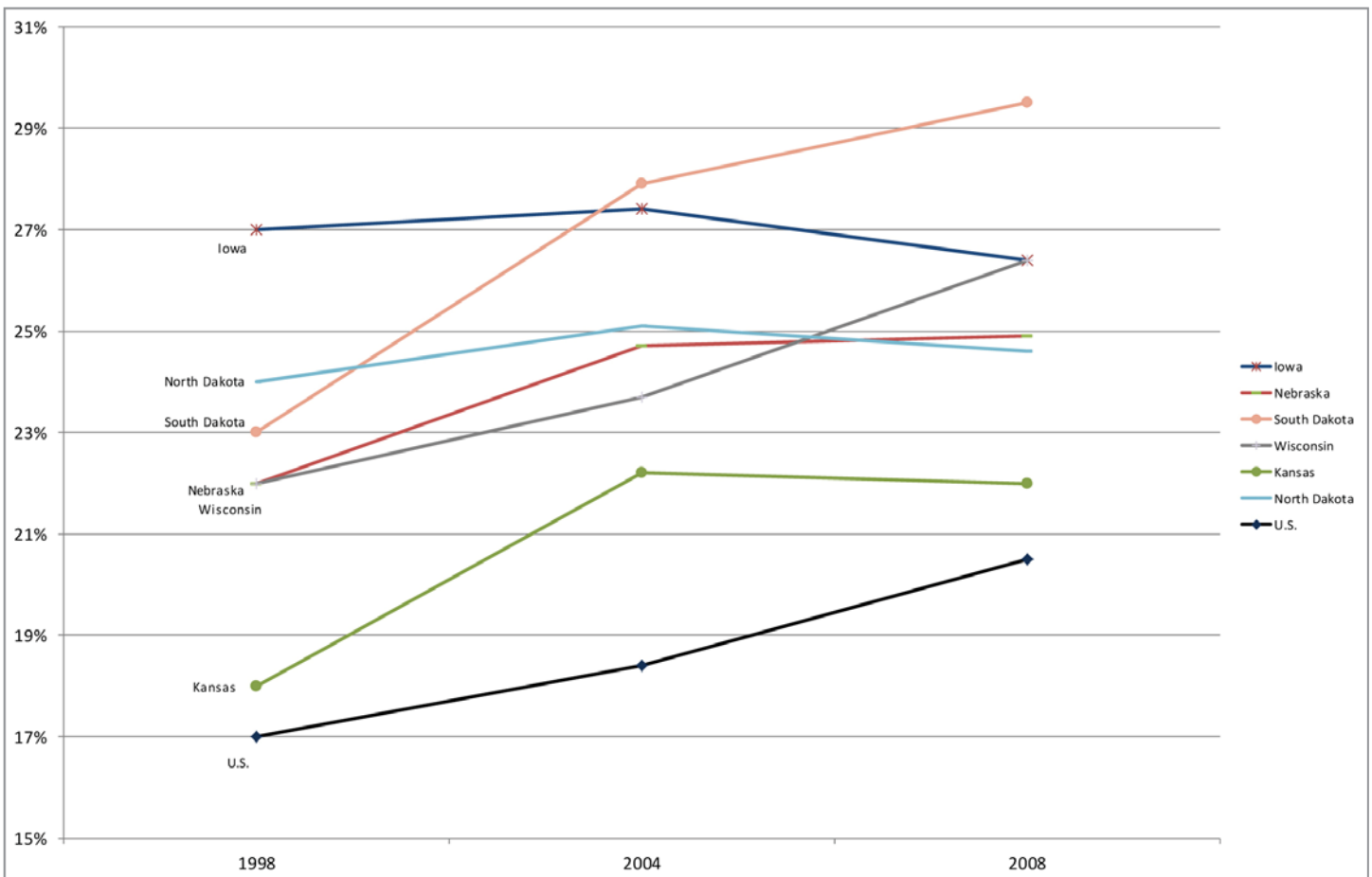
Source: Chronicle of Higher Education. (2012). *Graduation rates: 2004 bachelor's cohort*.

Student Progress through the Educational Pipeline

A major inefficiency in the postsecondary system stems from delays in college enrollment and in college graduation. A longer time to degree decreases the number of skilled workers in the labor force, adds to public costs, and in certain market conditions, reduces opportunities for others to enter the postsecondary system.²⁴ Accordingly, an important indicator of efficiency and effectiveness is the proportion of 9th grade students who pass four critical milestones on the

way to completing a college degree: graduating from high school on time, enrolling in college immediately after high school, persisting through the first year of college, and graduating from college within 150 percent of program time. As depicted in Figure 10, the rate of student success through the educational pipeline in Iowa decreased slightly between 1998 and 2008.

Figure 10. Percentage of 9th Graders Who Graduate from High School on Time, Go Directly to College, Return for Their Second Year, and Graduate within 150% of Program Time



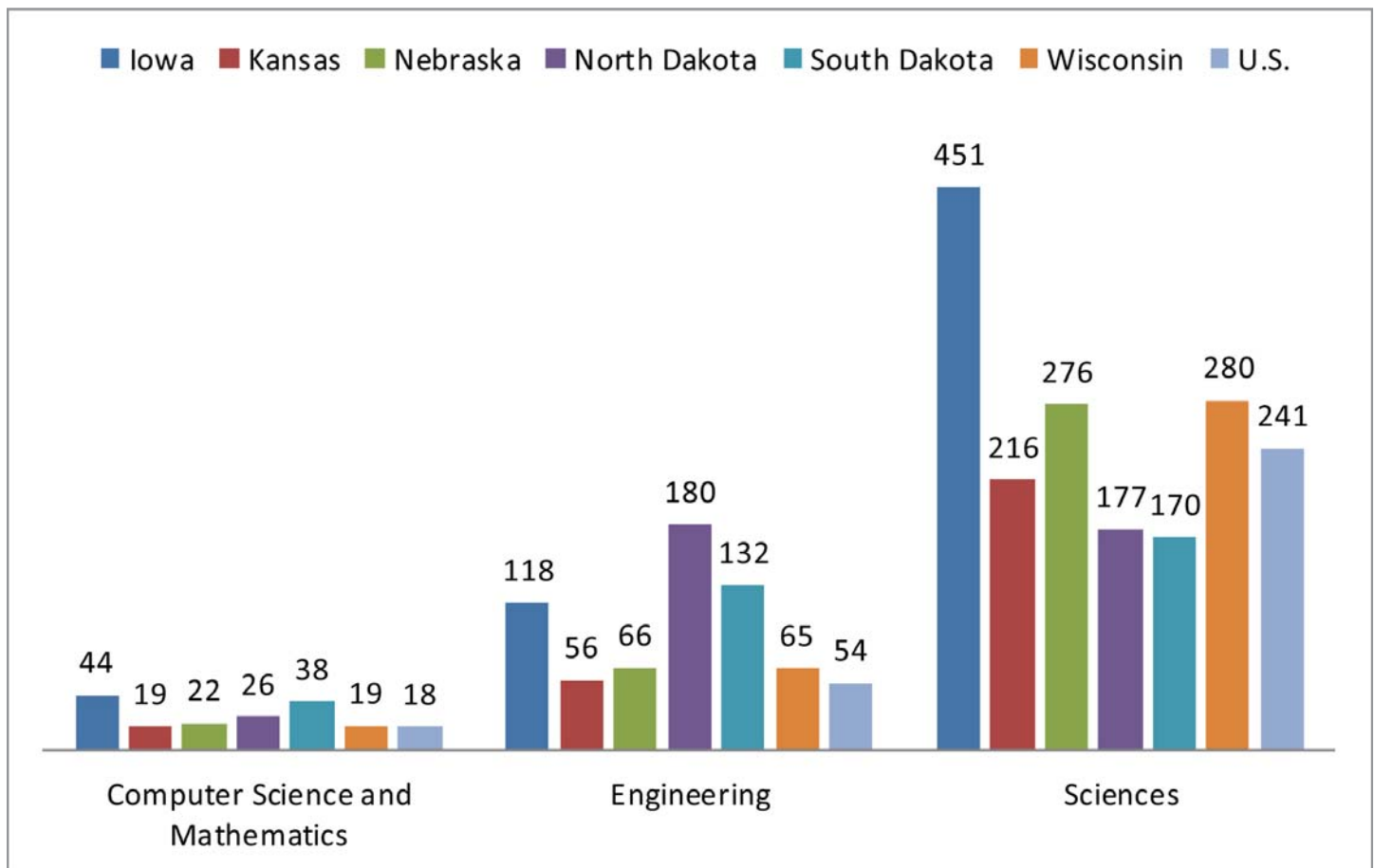
Source: National Center for Higher Education Management Systems. (2011). *Student pipeline: Transition and completion rates from 9th grade to college*.

Degrees Awarded in STEM Fields

Nationally, the number of job openings in most STEM occupational areas is expected to increase at nearly twice the rate of the average job growth for all occupations.²⁵ The production of STEM graduates has also been underscored as a critical step towards maintaining international competitiveness in a global knowledge-innovation economy. Undergraduate majors corresponding to STEM fields include such

disciplines as biology, physics, computer science, engineering, and mathematics. Figure 11 provides the number of degrees awarded in each STEM field for every 1,000 people employed in the corresponding STEM occupational area.²⁶ In Iowa, effective degree production in STEM fields is higher than the national average and the rates observed in several comparison states.²⁷

Figure 11. Bachelor's Degrees Awarded Per 1,000 People Employed in STEM Fields



Source: Integrated Postsecondary Education Data System. (2012). *Bachelor's degrees: 2010-11*; Bureau of Labor Statistics. (2011). *Occupational employment statistics: May 2010*.

System Efficiency

Under conditions of financial exigency, states and institutions are pressed to produce graduates with high-quality degrees or certificates at the lowest possible cost. The measurement of efficiency, though, is particularly difficult due to the labor-intensive process of educating students, the challenges of scalability in academic environments, and changing workforce demands. Policymakers should thus interpret indicators of efficiency with caution, while recognizing that producing a skilled labor force requires significant investments in time and financial resources.

The indicator presented in this section includes:

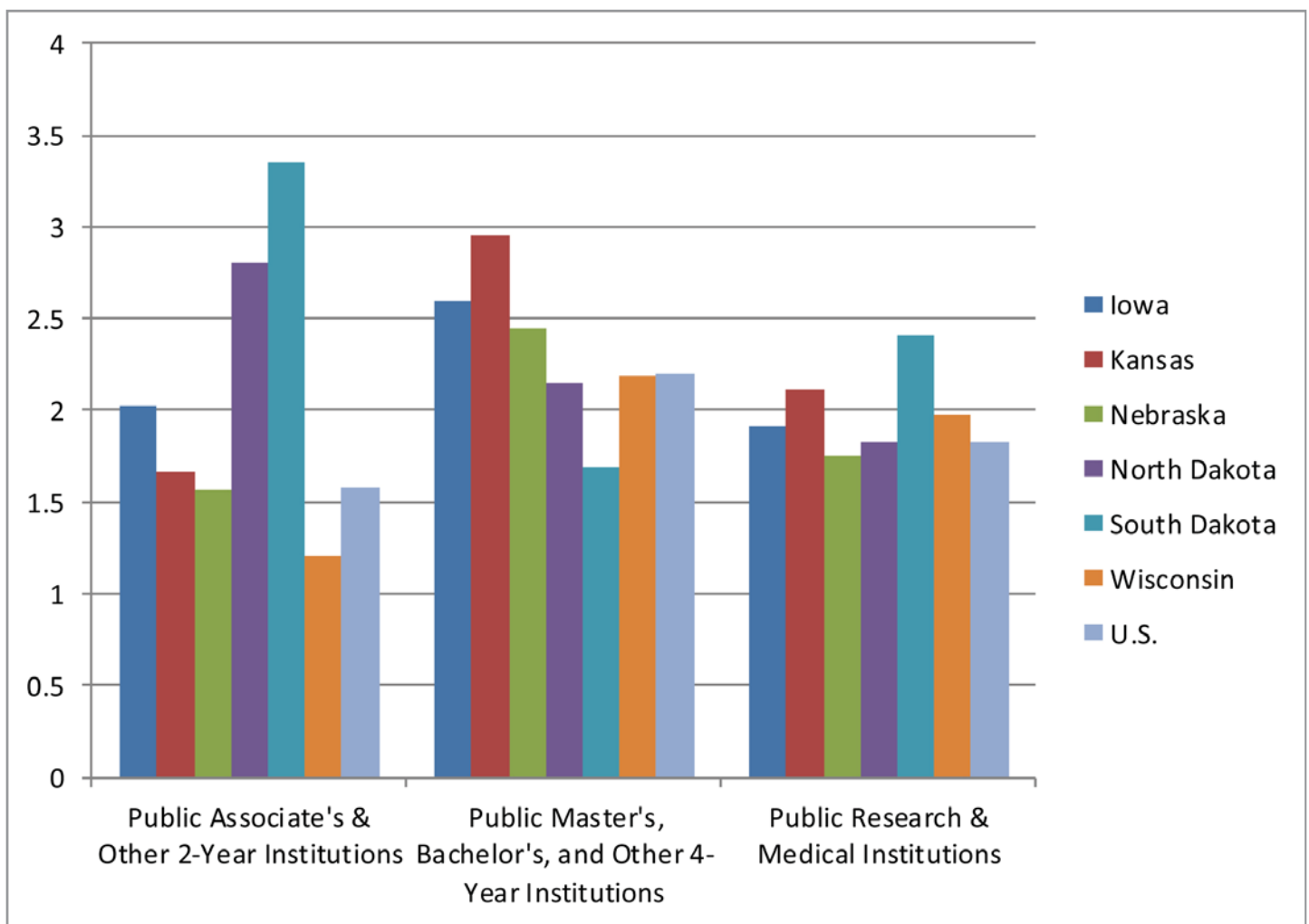
- Credentials awarded per expenditure

Credentials Awarded per Expenditure

Revenue-based indicators of efficiency are helpful for comparing states on the use of educational resources. Figure 12 depicts state performance according to the number of credentials awarded per \$100,000 of education and related expenditures.²⁸ Performance on

this measure among Iowa's public institutions exceeds the national average and the efficiency rates observed in several comparison states. However, the efficiency of public two-year institutions is much lower in Iowa than in North Dakota and South Dakota.²⁹

Figure 12. Credentials Awarded Per \$100,000 of Education and Related Expenditures



Source: National Center for Higher Education Management Systems. (2012). *Credentials and degrees awarded per \$100,000 of education and related expenditures: 2010*.

Academic Preparation

The extent to which students are academically prepared for college predicts degree completion beyond the effects of race/ethnicity, socioeconomic status, institutional selectivity, attendance patterns, and academic performance during college.³⁰ Academic preparation thus constitutes a key leverage point for improving postsecondary outcomes. However, the cumulative nature of both academic competencies and deficits necessitates an assessment of academic preparedness that spans pre-K education, middle school, and high school.

Indicators presented in this section include:

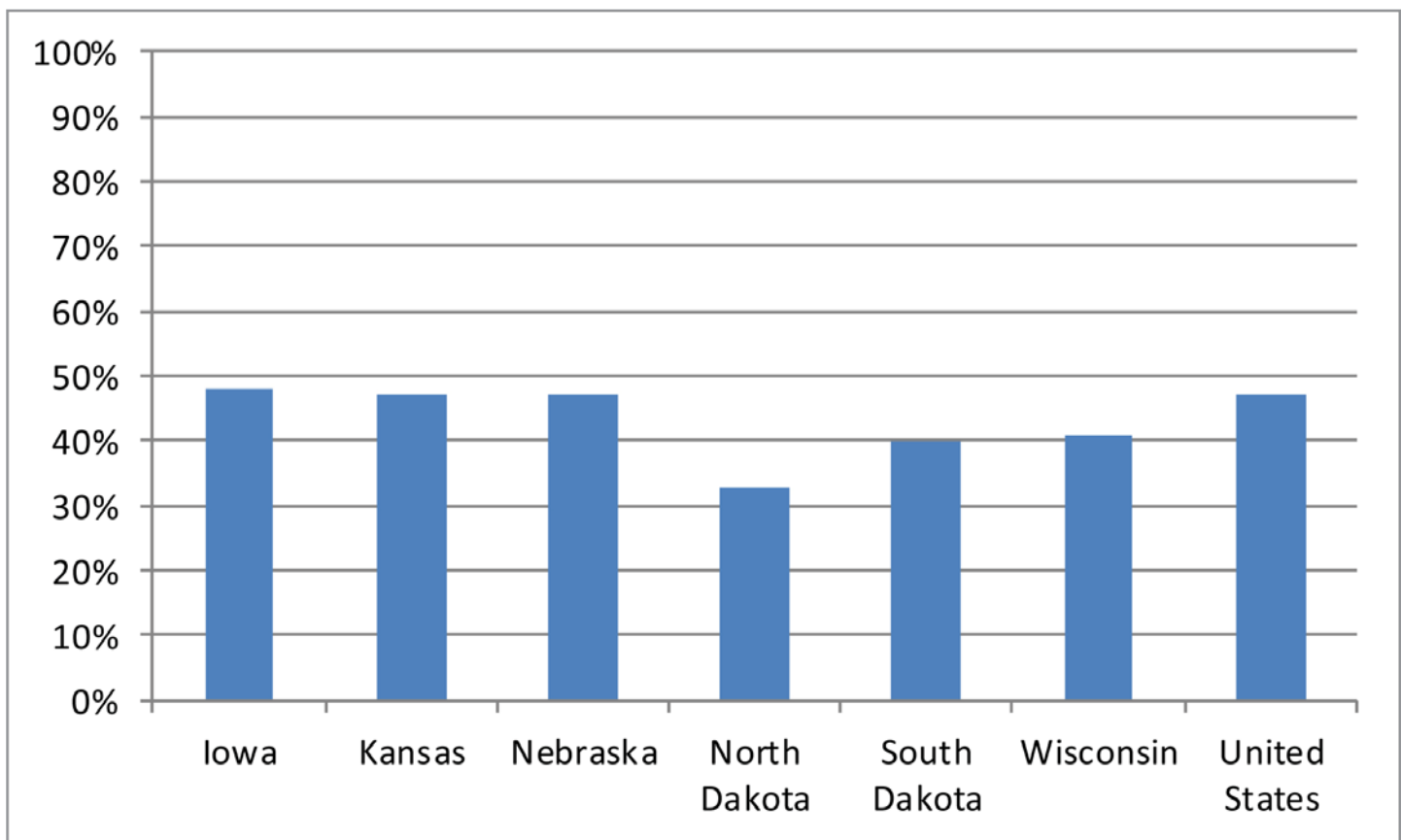
- Children ages 3 to 4 enrolled in preschool
- Academic proficiency of 8th grade students
- Rate of high school graduation
- Proportion of college-bound students who demonstrate college-ready academic achievement

Children Ages 3 to 4 Enrolled in Preschool

Early childhood education provides a critical foundation for successfully managing subsequent academic challenges. Relative to children in control groups, participants in high-quality, educationally-focused programs have exhibited greater long-term gains in IQ, lower rates of grade retention and special

education placements, and higher rates of high school graduation and college attendance.³¹ Moreover, the benefit-cost ratios of such programs have varied from 2.5 to 16.2. Figure 13 demonstrates that the rate of enrollment in preschool among children ages 3 to 4 is higher in Iowa than in peer states.

Figure 13. Children Ages 3 to 4 Enrolled in Preschool



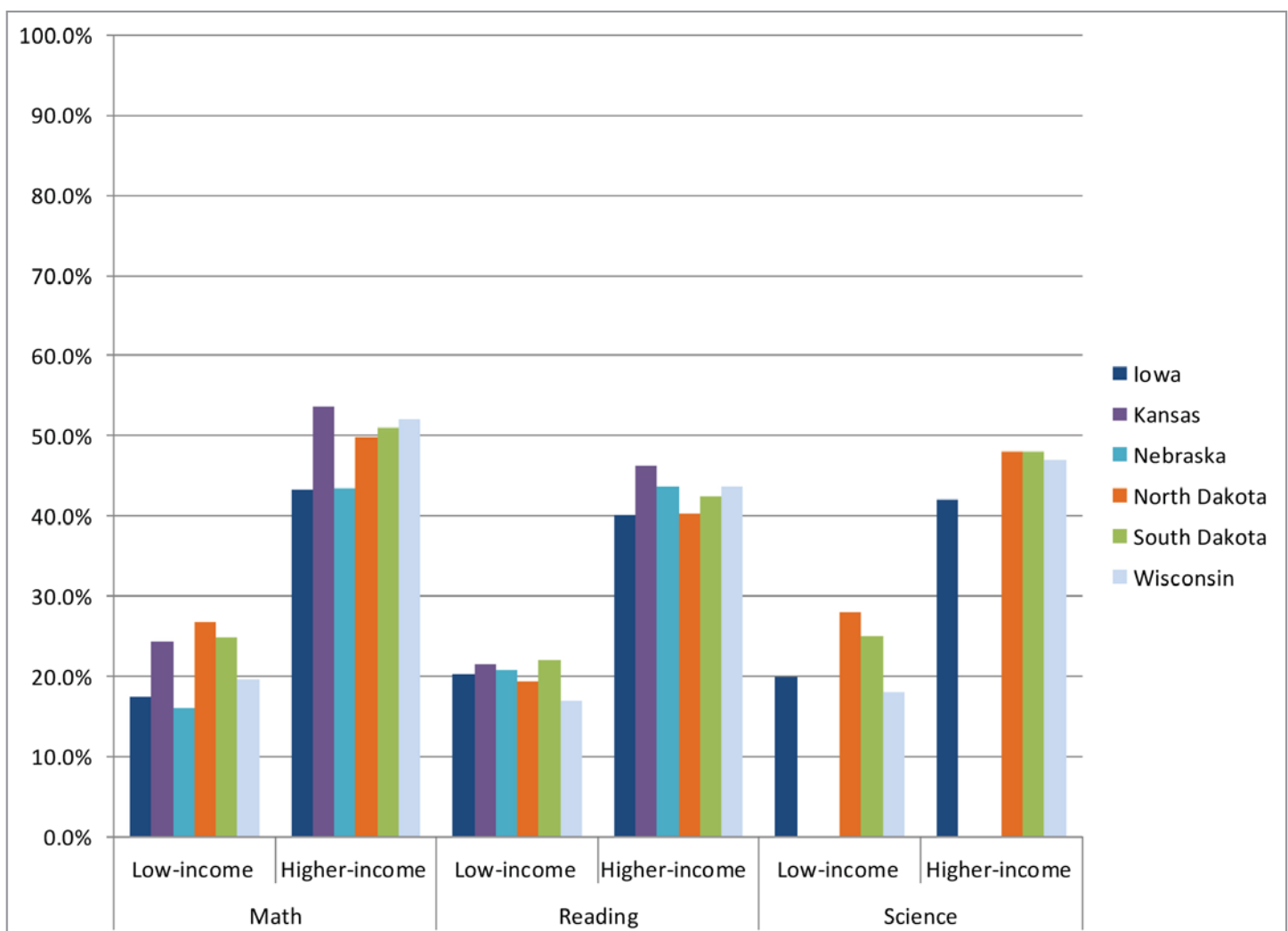
Source. The Annie E. Casey Foundation Kids Count Data Center. (2012). *Early childhood indicators: 2010*.

Academic Proficiency of 8th Grade Students

The successful completion of rigorous coursework in high school is significantly determined by whether students enter high school with foundational skills and knowledge in such areas as math, reading, and science. In fact, 8th grade academic achievement has been found to be the most significant predictor of college readiness among 12th grade students.³² As indicated in Figure 14, no more than 20 percent of students

from low-income families in Iowa score at or above the proficiency level in math, reading, or science. The proportion of students from higher-income families scoring at or above proficiency is much larger,³³ though even here over 55 percent of such students fail to attain proficiency in the National Assessment of Educational Progress (NAEP) test subjects.

Figure 14. NAEP 8th Grade Math, Reading, and Science Scores: Low- and Higher-Income Students At or Above Proficient Level



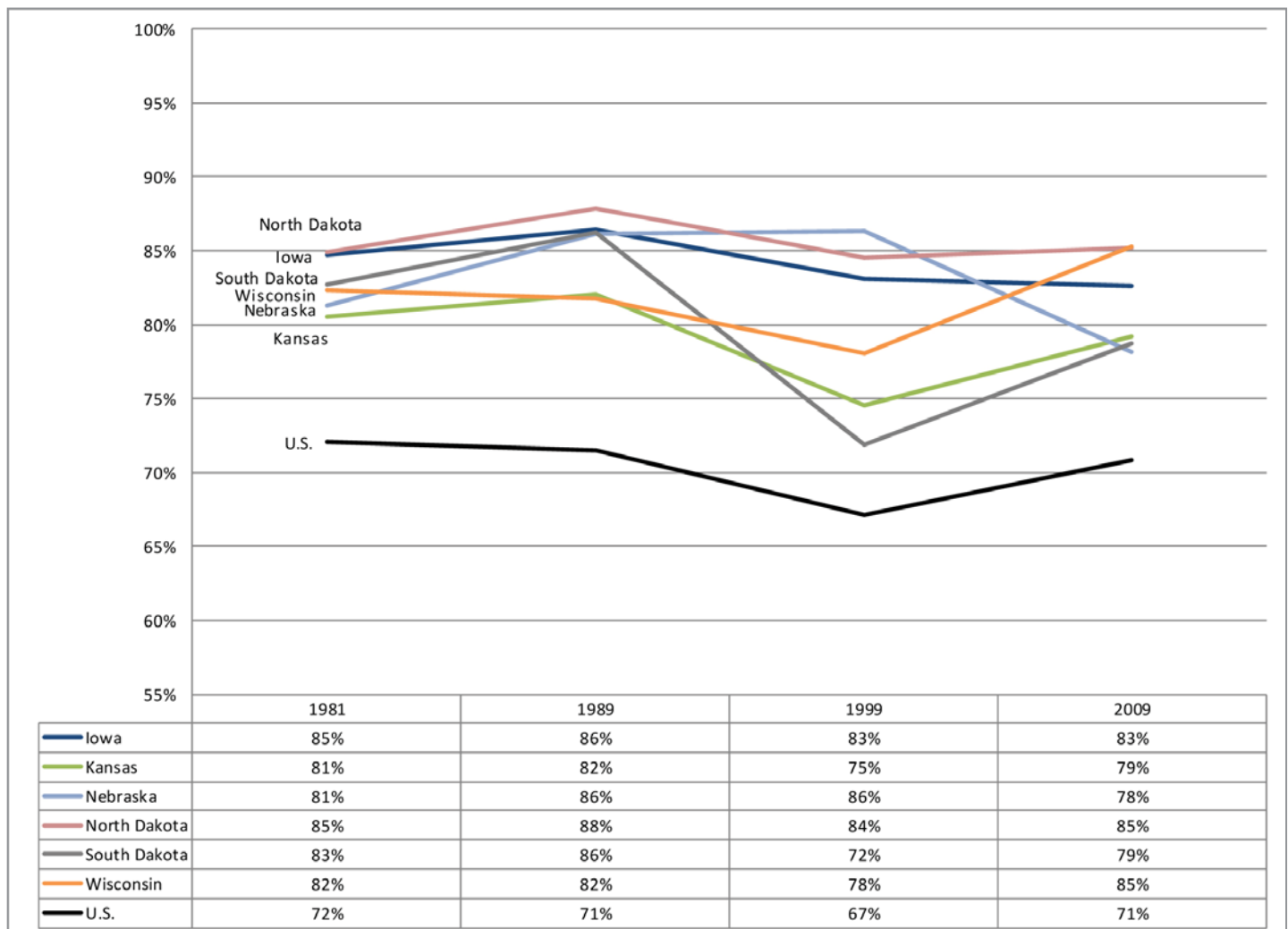
Source: National Center for Education Statistics. (2011). *National assessment of educational progress: 2011*.

Rate of High School Graduation

The completion of high school or its equivalent is required for college admission. In Iowa, the percentage of 9th grade students who graduate from high school four years later has decreased since the 1980s (see

Figure 15). Iowa's graduation rate is well above the national average but falls below the rates observed in North Dakota and Wisconsin.³⁴

Figure 15. Public High School Graduation Rates Over Time



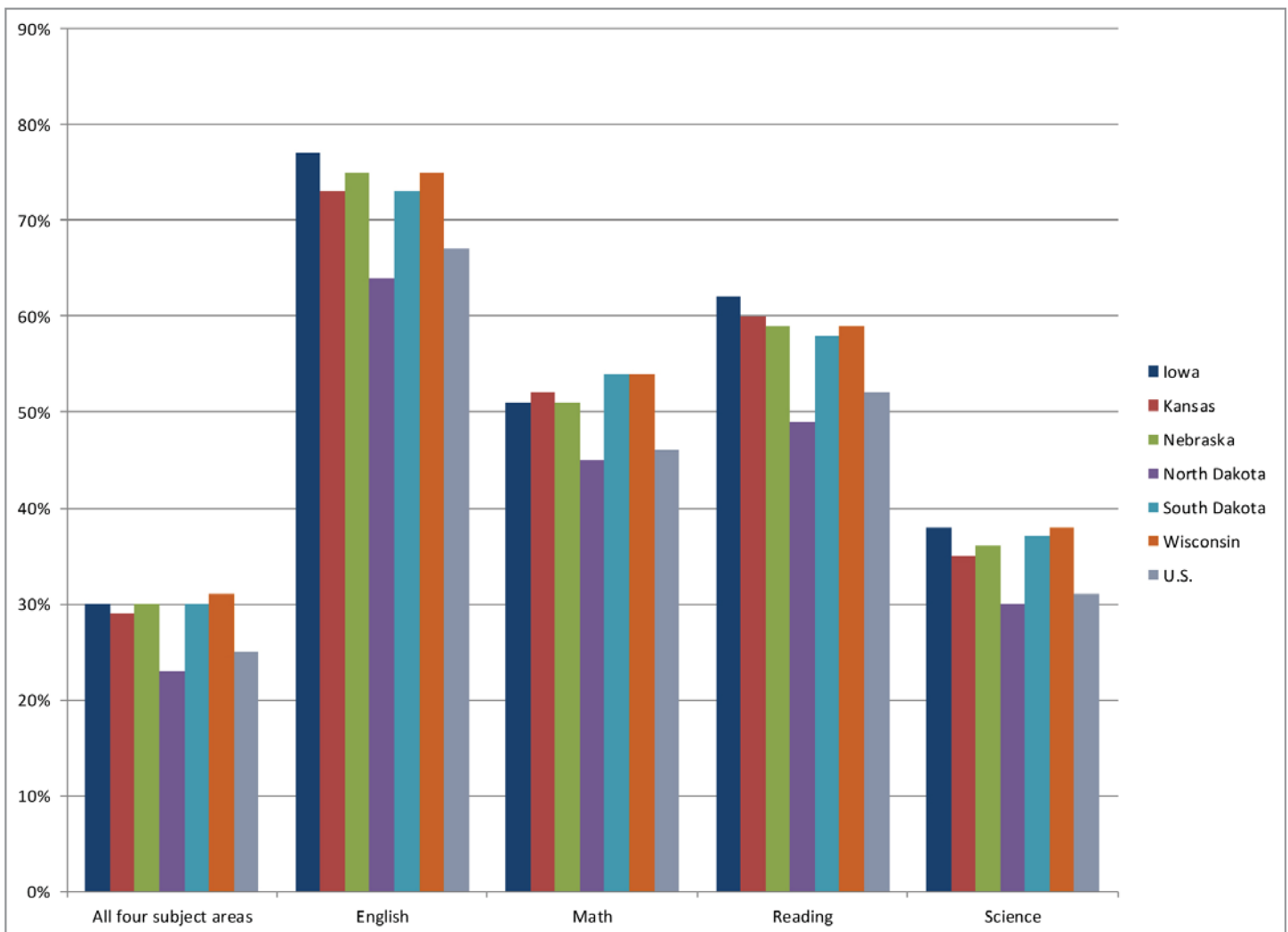
Source: National Center for Higher Education Management Systems. (2011). *Public high school graduation rates*.

Proportion of College-bound Students who Demonstrate College-ready Academic Achievement

Students who enter college with a high level of academic preparedness are less likely to need remedial education and are more likely to complete their degrees on time. Academic preparedness can be assessed by the proportion of students taking the ACT who meet college readiness benchmarks. Benchmark scores in English, math, reading, and science delineate a 75 percent likelihood of attaining at least a “C” in first-year

college courses (e.g., biology).³⁵ According to Figure 16, the proportion of ACT-tested high school graduates meeting the benchmarks in Iowa is highest in the subject of English (77 percent) and lowest in science (38 percent). The composite score benchmark data indicate that 70 percent of tested high school graduates in Iowa did not meet the benchmark in at least one subject area

Figure 16. Percentage of ACT-Tested High School Graduates Who Met or Exceeded the College Readiness Benchmark Score



Source: ACT. (2012). *College readiness benchmark attainment by state: 2012*.

Affordability

The affordability of higher education has become a growing concern for students, parents, and policymakers. Over the past few decades, college tuition and fees have increased at more than four times the rate of consumer prices partly in response to reductions in state and local funding. For instance, tuition revenue per student at public research universities increased by \$369 between 2008 and 2009, a time during which state and local appropriations per student decreased by \$751.³⁶ Such precipitous increases in tuition have occurred while the incomes of many low- and middle-class families have stagnated or declined. Accordingly, states play an increasingly critical role in determining the relative affordability of public colleges and universities.

Indicators presented in this section include:

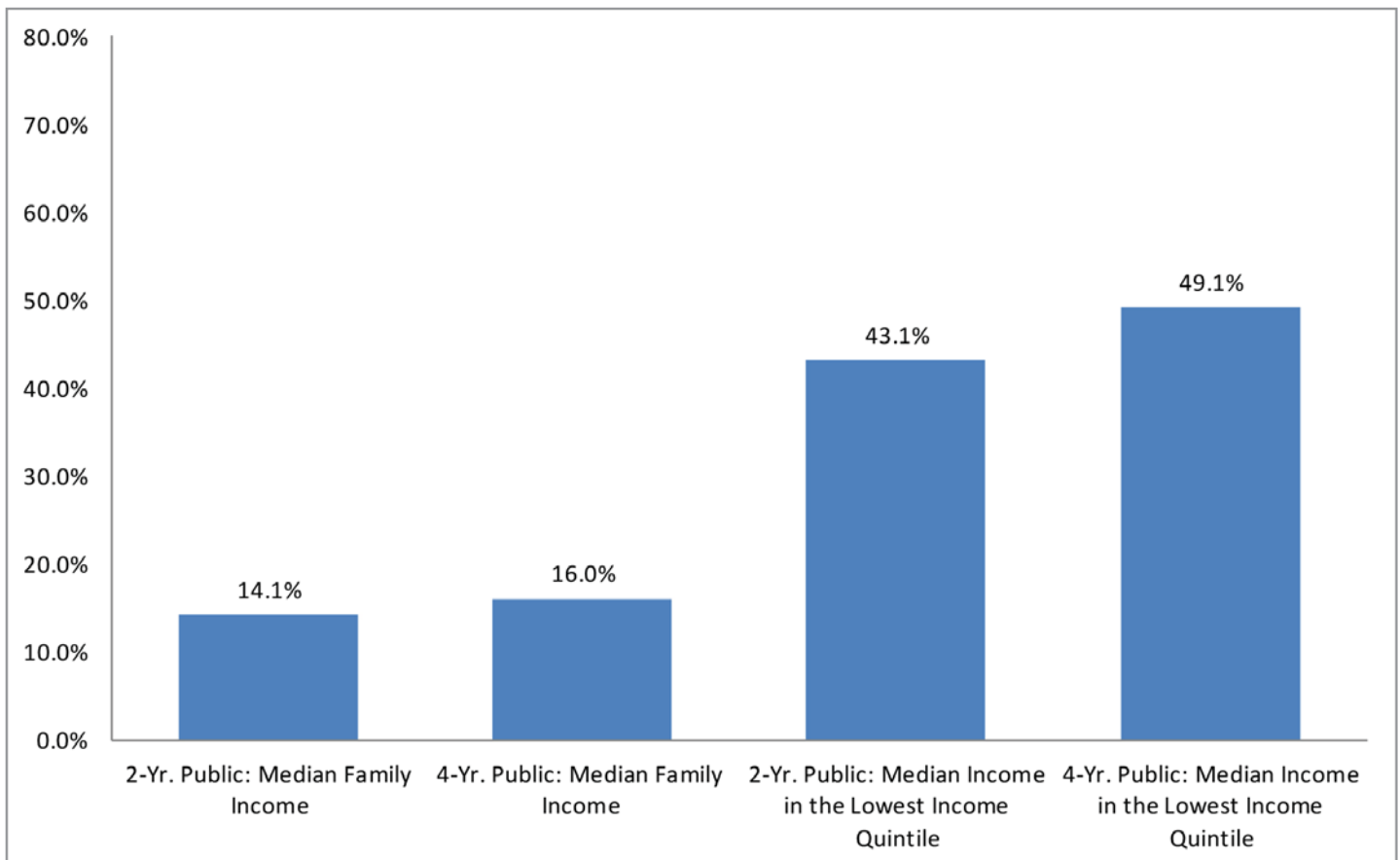
- Percentage of family income needed to pay for college
- Average student loan debt

Percentage of Family Income Needed to Pay for College

A key challenge in promoting financial access is to ensure that students and families can manage the net price of college, that is, the cost of tuition, room, and board after subtracting grant aid. Figure 17 indicates that college affordability in Iowa is highly contingent on

family income. Families with median incomes in Iowa would need to allocate between 14 and 16 percent of their incomes to pay for college. In contrast, college attendance for low-income students requires between 43 and 49 percent of family income.

Figure 17. Percentage of Family Income Needed to Pay for College: Families in the Lowest Income Quintile and Families with Median Incomes



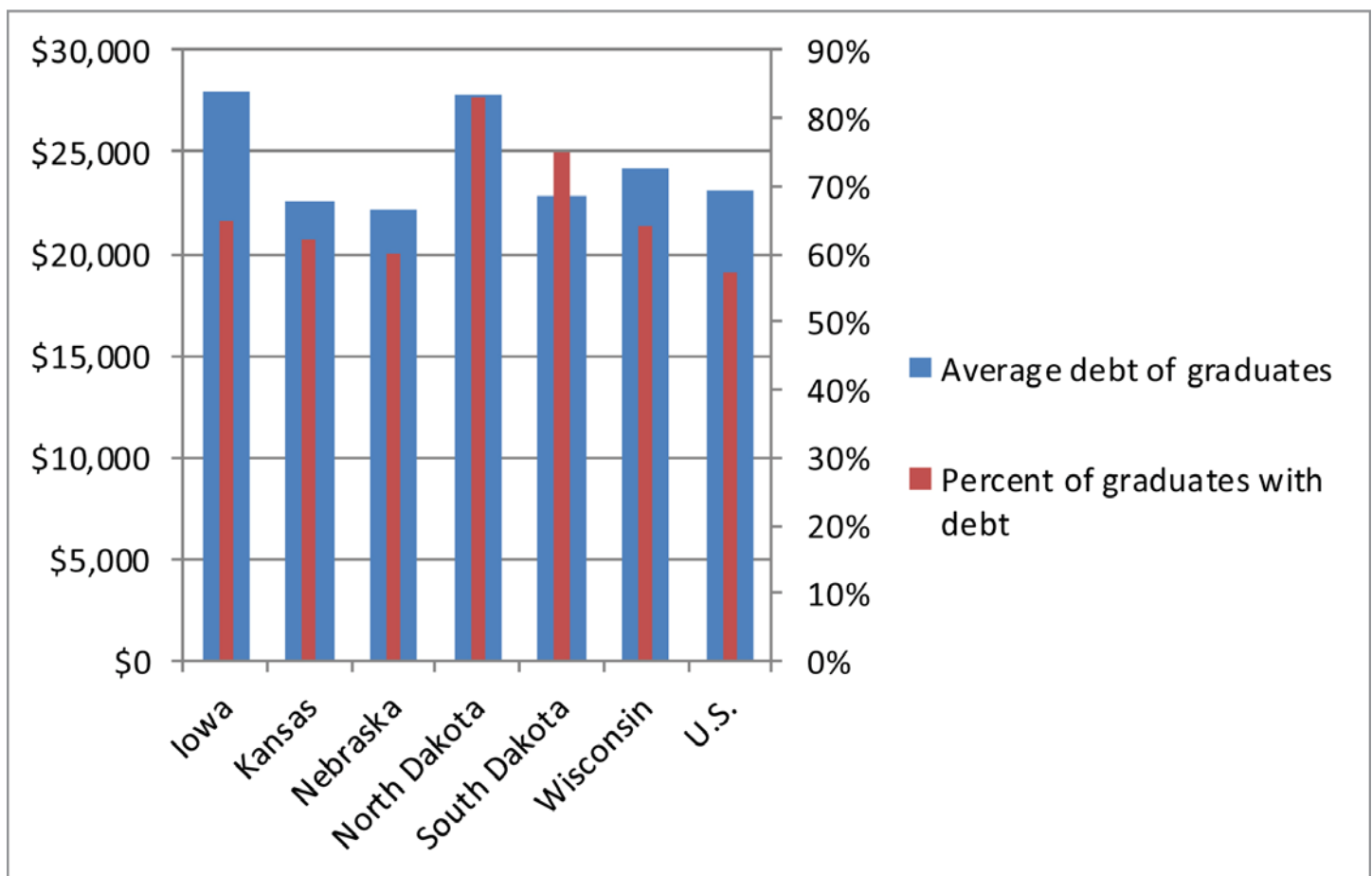
Source: National Center for Higher Education Management Systems. (2011). *Percent of family income needed to pay for college: 2009*.

Average Student Loan Debt

Students are increasingly using loans to finance their college education. Nationally, individuals in the graduating class of 2011 had an average student loan debt of \$26,600 (not counting credit card debt or borrowing from family members).³⁷ Approximately 65 percent of graduates of public 4-year institutions in Iowa had some student loan debt (i.e., institutional, state, federal, or private loans). The average debt of \$27,891 in Iowa was higher than the average debt

of college graduates in peer states (see Figure 18). Assuming a beginning salary of \$41,701, the average beginning salary for the graduating class of 2011,³⁸ the typical graduate from a public 4-year institution in Iowa will need to allocate 9 percent of his or her income to loan repayments.³⁹ This debt burden can be contrasted with what has been classified as “unmanageable debt,” which requires repayment in excess of 8 percent of income.⁴⁰

Figure 18. Educational Loan Debt Among Graduates of Public 4-Year Institutions



Source: Institute for College Access and Success. (2012). *College InSight database: 2010-11*.

Institutional Effectiveness and Efficiency

A fundamental objective in many state accountability frameworks is to determine whether the institutional conditions of colleges and universities are conducive to student success. The student outcomes most commonly examined in this regard include student learning, degree completion, and employment. Graduation rates in particular are utilized for performance reporting within 41 states, and several have linked degree completion with performance funding.⁴¹ In the context of interstate comparison, moreover, available data are primarily limited to graduation rates.

The indicator presented in this section includes:

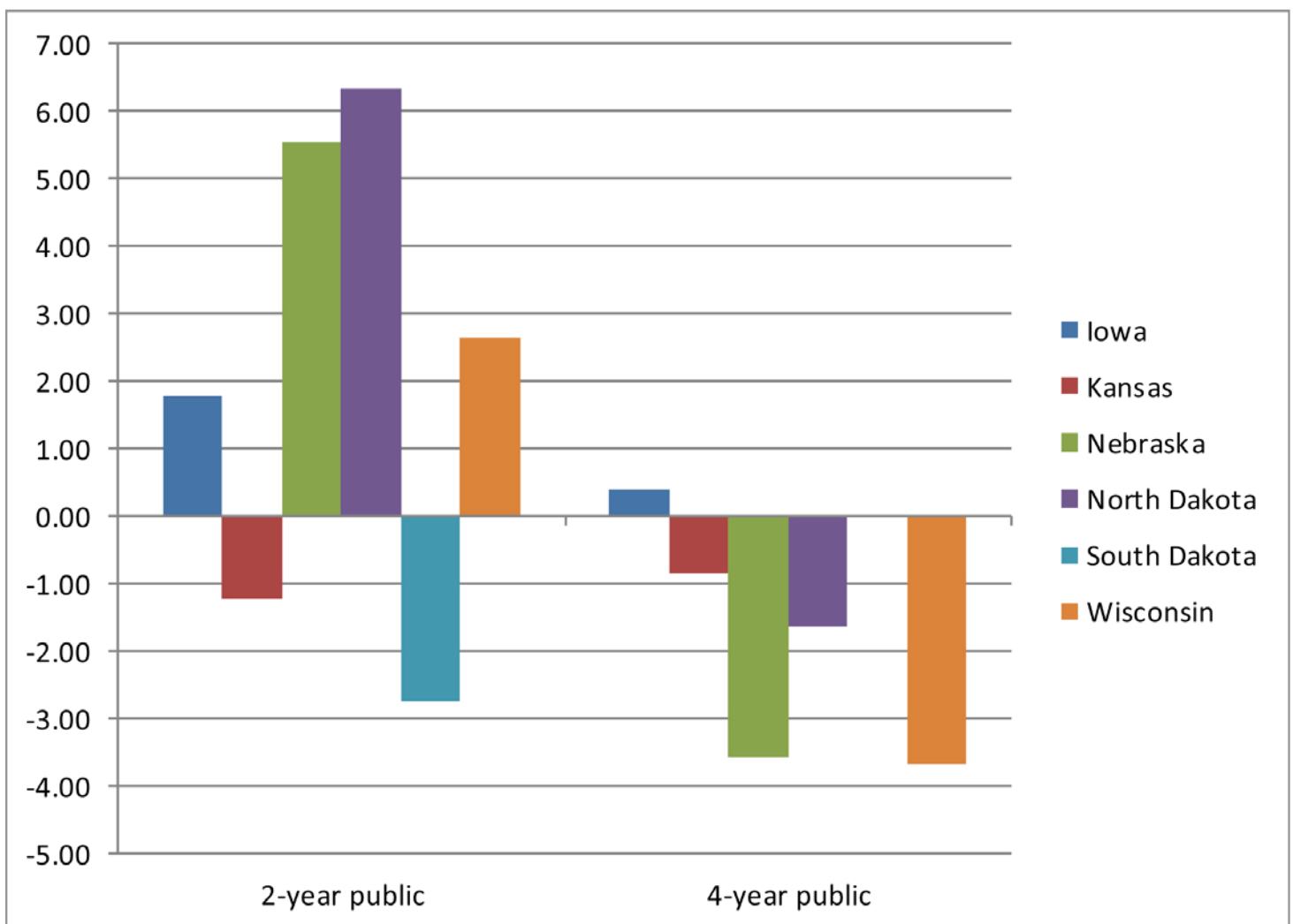
- Promotion of timely degree completion

Promotion of Timely Degree Completion

Graduation rates are frequently used to assess the degree to which institutions promote timely degree completion. However, numerous factors that frequently lie beyond institutional control strongly influence degree completion, such as the socioeconomic status and academic preparedness of students. The indicator presented here thus estimates institutional effectiveness as the difference between actual graduation rates and the rates that we would predict from several structural, demographic, and contextual factors.⁴² Values below -1 indicate limited

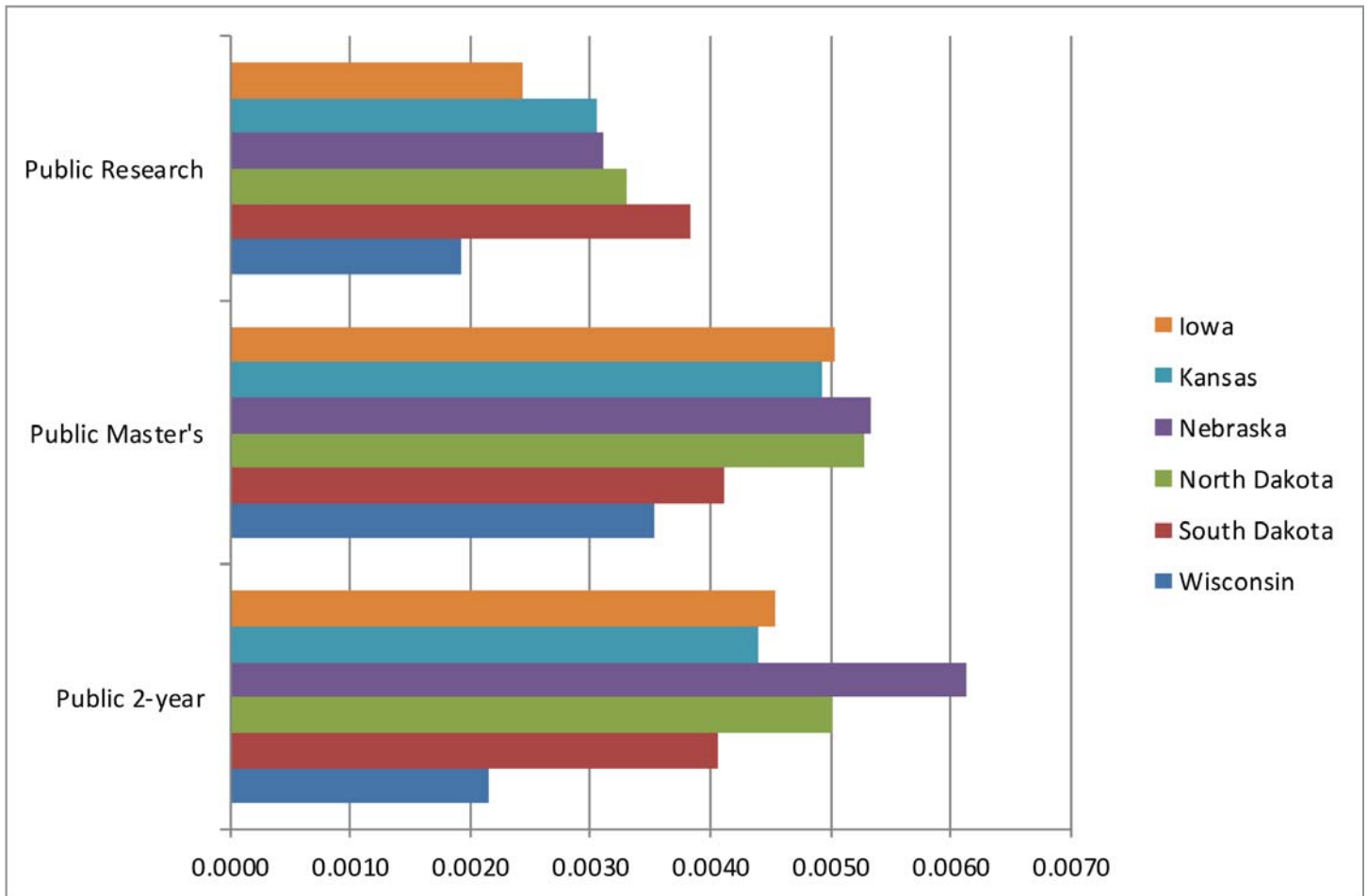
institutional effectiveness, and values above 1 indicate a good or excellent level of effectiveness. Figure 19 indicates that the institutional effectiveness of public two-year institutions in Iowa is fairly high, and public four-year institutions exhibit a satisfactory level of effectiveness. In addition, a general sense of associated efficiencies can be derived from an examination of institutional effectiveness per FTE education and related expenditures. Accordingly, Figure 20 reveals that public research institutions are less efficient in Iowa than in most peer states.

Figure 19. Institutional Effectiveness Scores based on Graduation Rates



Source: Horn, A. S. (2012). *Graduation rates and institutional effectiveness: A performance rating system for the states*. Minneapolis, MN: Midwestern Higher Education Compact.

Figure 20. Institutional Effectiveness per FTE Education and Related Expenditures



Source. Horn, A. S. (2012). *Graduation rates and institutional effectiveness: A performance rating system for the states*. Minneapolis, MN: Midwestern Higher Education Compact.

State Investments

Substantial financial investments are required to create and sustain a PK-16 educational system that meets state needs for economic and social development. State funding of K-12 education constituted approximately 20 percent of state expenditures in 2010 and forms a major contribution to the total funding for instruction (61 percent), administration (11 percent), student and staff support (10 percent), operations and management (10 percent), transportation and food services (4 percent), among other functions.⁴³ States allocated 10.2 percent of their budgets to higher education in 2010,⁴⁴ including general institutional operating expenses (78 percent); research, agricultural extension, and medical education (12 percent); and student financial aid (9.8 percent).⁴⁵ Various factors influence funding for education within any particular state, including the tax base and structure, enrollment, and state expenditures for other public services. Moreover, states differ in the strategies used to ensure that postsecondary education remains affordable for the citizenry. For instance, some concentrate funds into direct institutional appropriations, while others may focus more on need-based student aid.

Indicators presented in this section include:

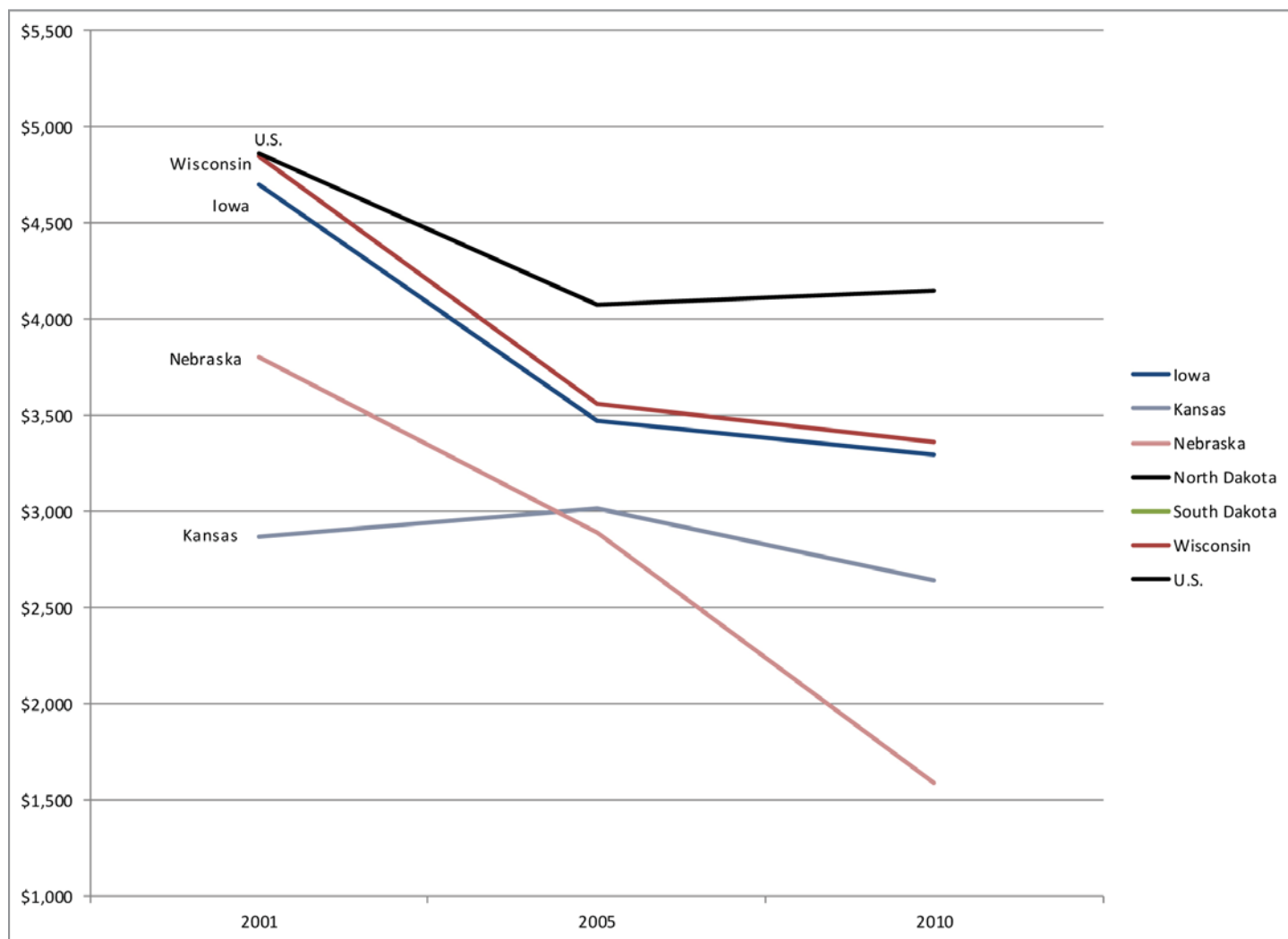
- Pre-K education expenditures per student
- K-12 education expenditures per student
- Postsecondary education and related expenditures per student
- State appropriations for postsecondary institutions
- Need-based grant aid allocations

Pre-K Education Expenditures per Student

Nationally, state pre-K expenditures per child declined from \$4,866 in 2001-02 to \$4,151 in 2010-11.⁴⁶ Figure 21a indicates that per student expenditures in Iowa declined significantly between 2001 and 2010, and current expenditures are well below the national average. In order to assess the adequacy of current

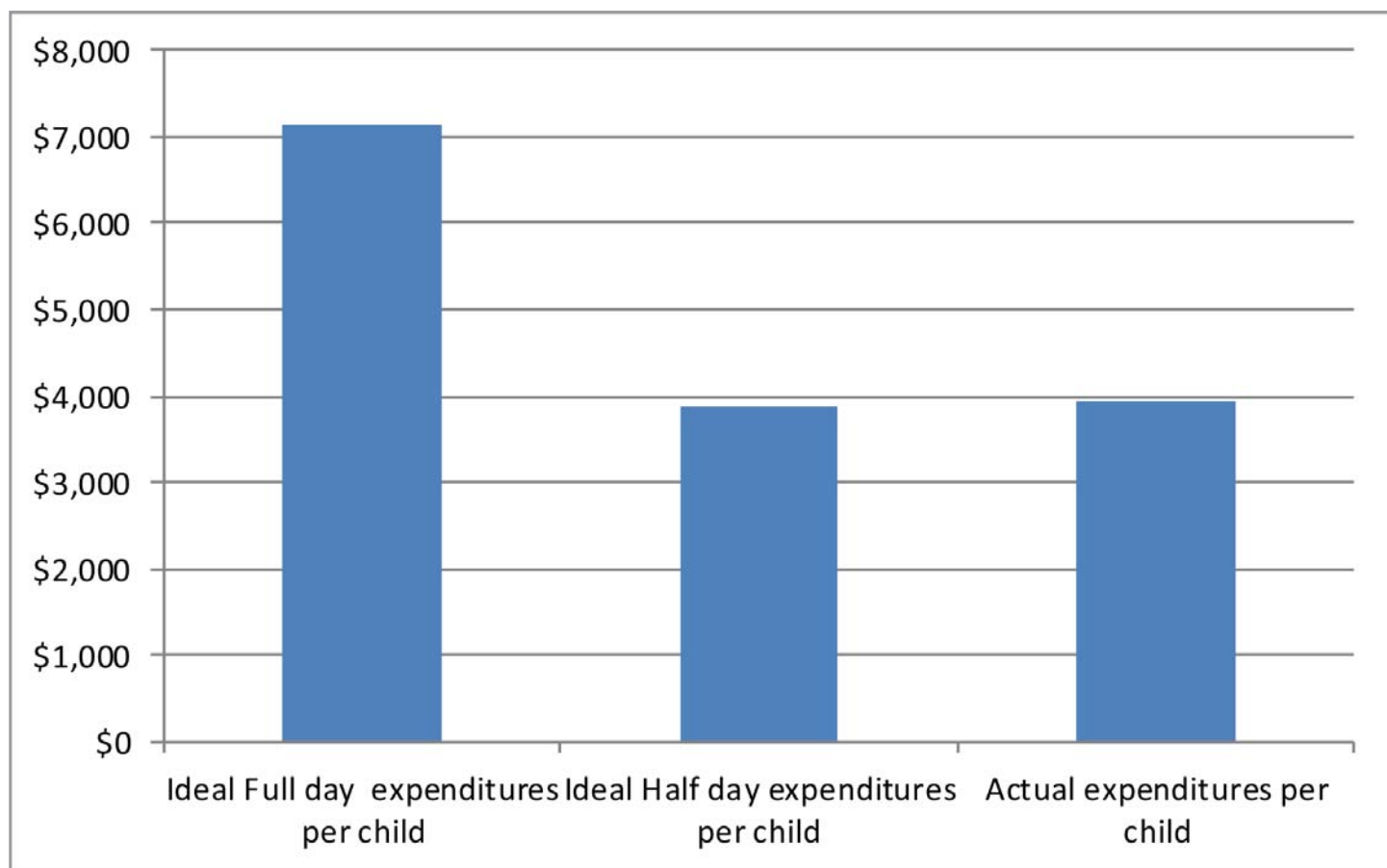
investments in pre-K programs, actual expenditures can be compared with the ideal expenditures needed to meet quality standards for pre-K programs.⁴⁷ Figure 21b indicates that Iowa's current expenditures constitute 101 percent of ideal half-day expenditures and 55 percent of ideal full-day expenditures.

**Figure 21a. State Pre-K Expenditures per Child Enrolled
(adjusted for inflation and regional cost differences)**



Source: National Institute for Early Education Research. (2011). *The state of preschool 2011*.

Figure 21b. Ideal vs. Actual Pre-K Expenditures per Child



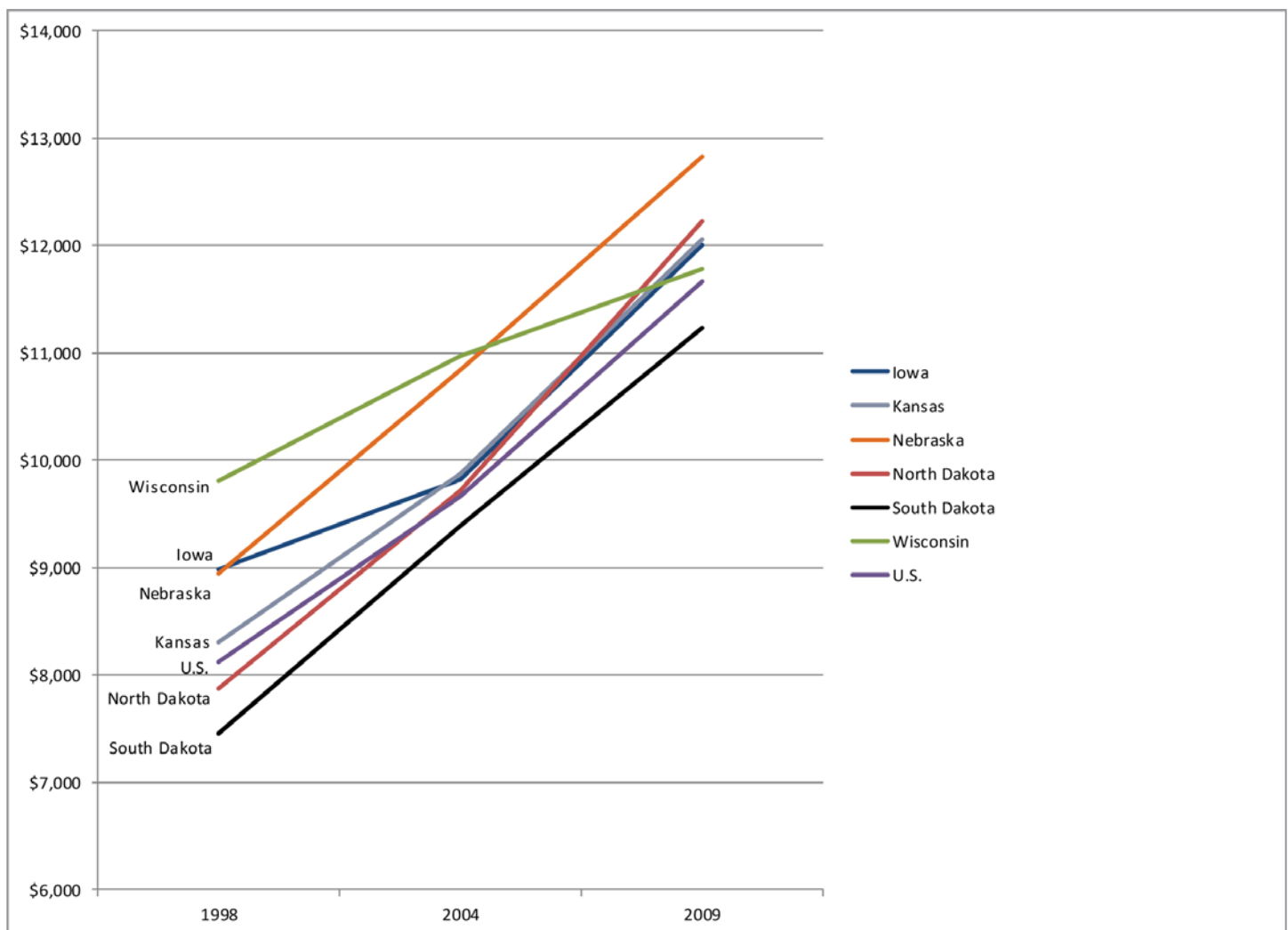
Source: National Institute for Early Education Research. (2012). *Cost estimates per child*.

K-12 Education Expenditures per Student

Nationally, total expenditures per student increased by 46 percent between 1989 and 2009, which was partly due to increased spending on school debt interest (149 percent increase), capital outlays (117 percent increase), and employee benefits (75 percent increase).⁴⁸ As depicted in Figure 22, K-12 expenditures in Iowa have increased over the past decade, and current levels are above the national average.

However, Table 2 provides evidence of inequity in Iowa's system of K-12 finance. The McLoone Index demonstrates that current spending is equivalent to 92 percent of the total amount that would be needed to provide median-level educational expenditures for all students. Similarly, the restricted range reveals a large difference in per student spending between the districts in the 5th and 95th percentiles.

Figure 22. State K-12 Expenditures per Child Enrolled (adjusted for inflation and regional cost differences)



Source: The Annie E. Casey Foundation Kids Count Data Center. (2012). *Education indicators*.

Table 2. Equity in K-12 Finance

MHEC State	McLoone Index – Actual spending as percent of amount needed to bring all students to median level (2009)*	Restricted Range – Difference in per-pupil spending levels at the 95 th and 5 th percentiles (2009)*
Illinois	88.5% (40)	\$5,529 (41)
Indiana	91.7% (18)	\$3,806 (20)
Iowa	92.4% (12)	\$2,935 (12)
Kansas	88.6% (39)	\$3,837 (22)
Michigan	91.6% (22)	\$3,811 (21)
Minnesota	87.9% (42)	\$4,873 (38)
Missouri	90.8% (26)	\$4,214 (31)
Nebraska	95.6% (2)	\$4,207 (30)
North Dakota	92.0% (17)	\$3,871 (24)
Ohio	90.5% (31)	\$4,703 (36)
South Dakota	90.8% (27)	\$4,216 (32)
Wisconsin	92.2% (13)	\$2,610 (8)

Source: Editorial Projects in Education Research Center. (2012). *State Highlights 2012*.

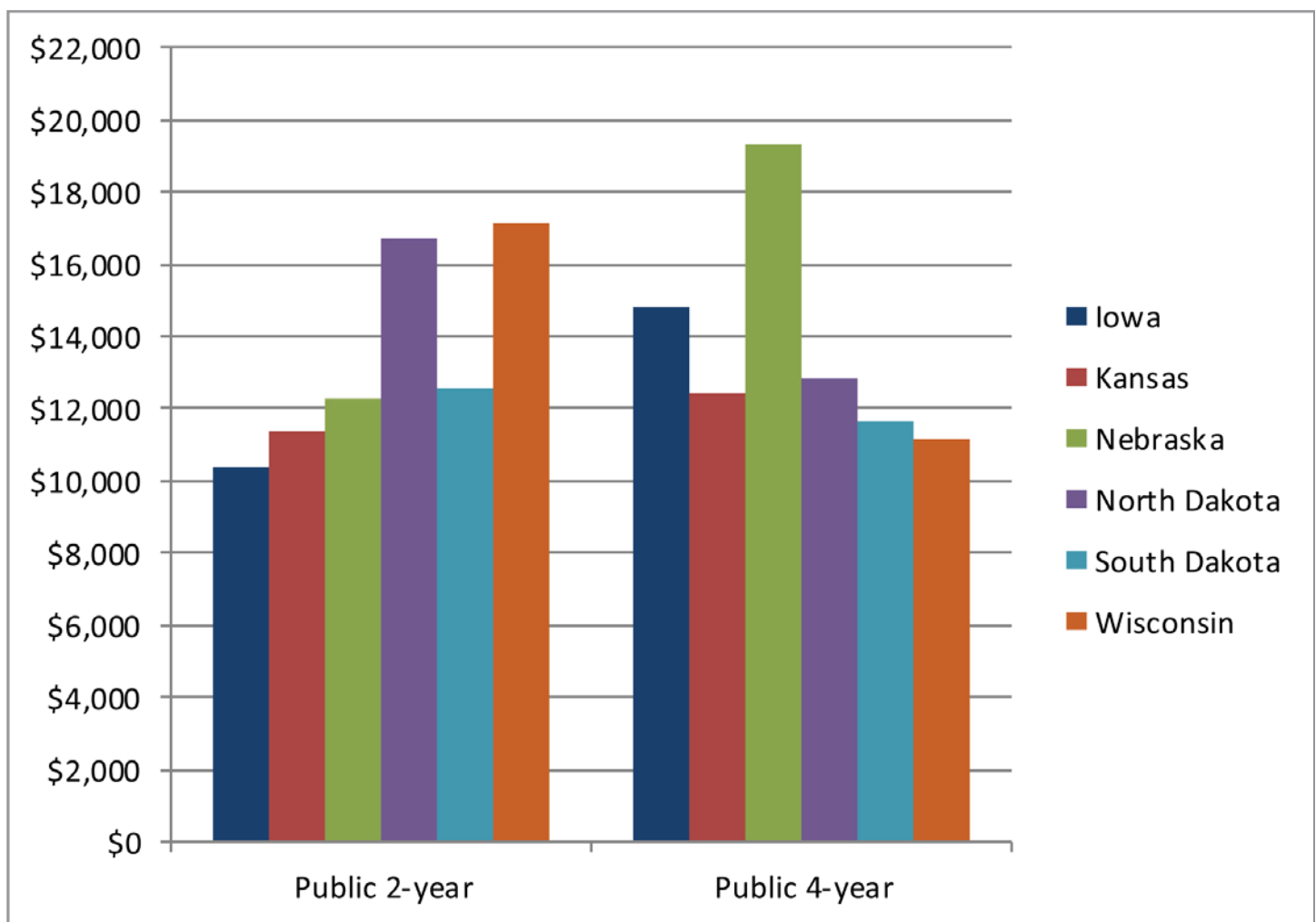
*State's national rank appears in parentheses.

Postsecondary Education and Related Expenditures per Student

Adequate educational expenditures of colleges and universities are crucial for maintaining a high level of program quality, which in turn is thought to affect student outcomes. Indeed, past research has demonstrated a positive relationship between an institution's level of educational expenditures and student persistence⁴⁹ as well as self-reported first-

year cognitive gains, perceived academic challenge, and the frequency of student-faculty interactions.⁵⁰ Figure 23 indicates that the educational expenditures of public two-year institutions are lower in Iowa than in several peer states, but the converse holds true for public four-year institutions.

Figure 23. Average FTE Student Education and Related Expenditures with Cost of Living Adjustment: Public 2- and 4-year Institutions

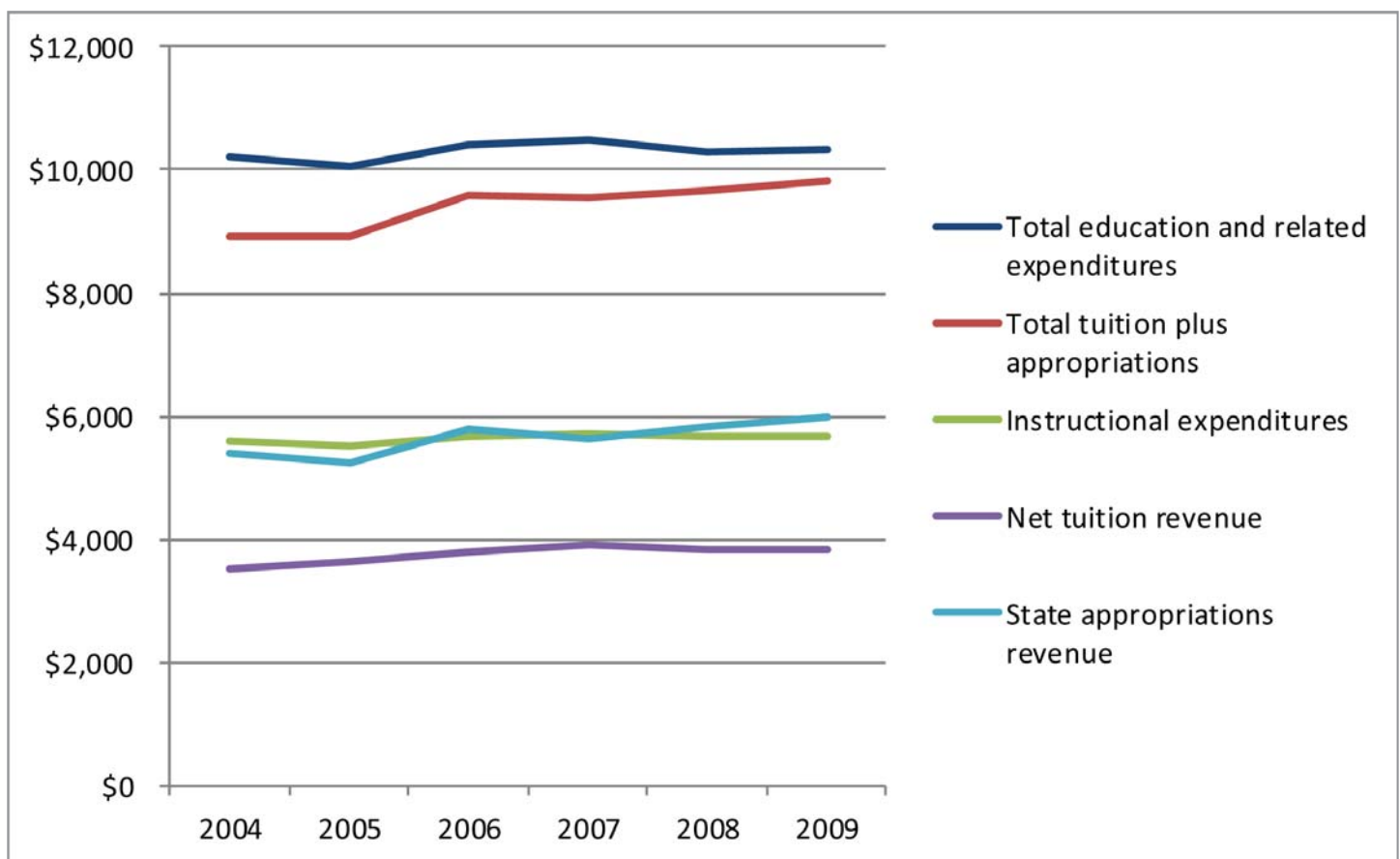


Source: Integrated Postsecondary Education Data System. (2012). *Finance: 2010*.

State Appropriations for Postsecondary Institutions

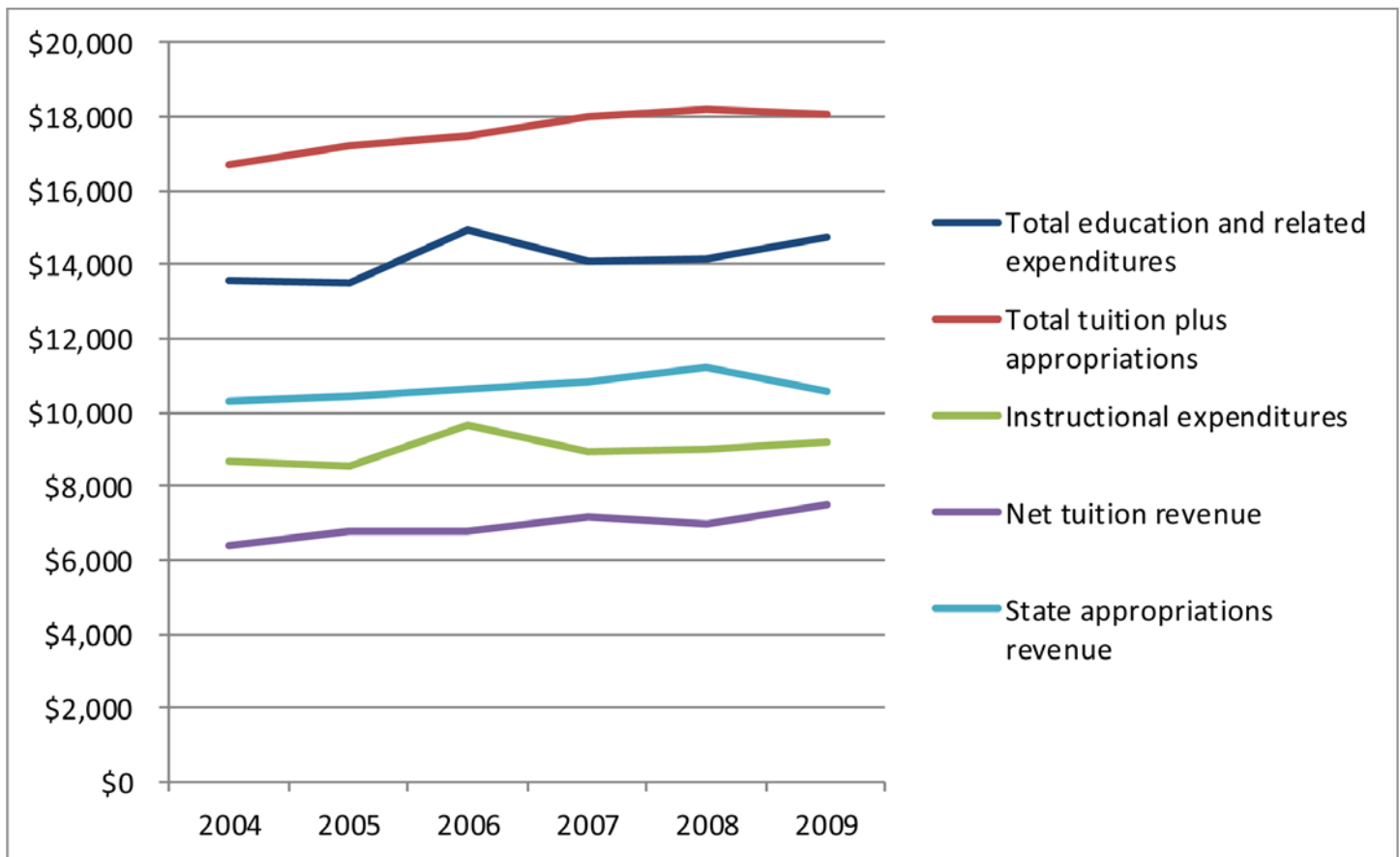
The direct allocation of state funds to postsecondary institutions partly determines the student's share of the cost of higher education. Figures 24a-b demonstrates the degree to which state appropriations approximate instructional expenditures as well as all education and related expenditures (i.e., the total amount spent on instruction, student services, and academic support). The average amount of state appropriations is equivalent to 58 percent of the average education and related expenditures at public two-year colleges and 72 percent of education and related expenditures at public four-year institutions in Iowa.⁵¹

**Figure 24a. FTE Student Revenue and Expenditures Adjusted for Inflation:
Public 2-year Colleges**



Source: AIR. (2012). *Trends in college spending*.

**Figure 24b. FTE Student Revenue and Expenditures Adjusted for Inflation:
Public 4-year Institutions**



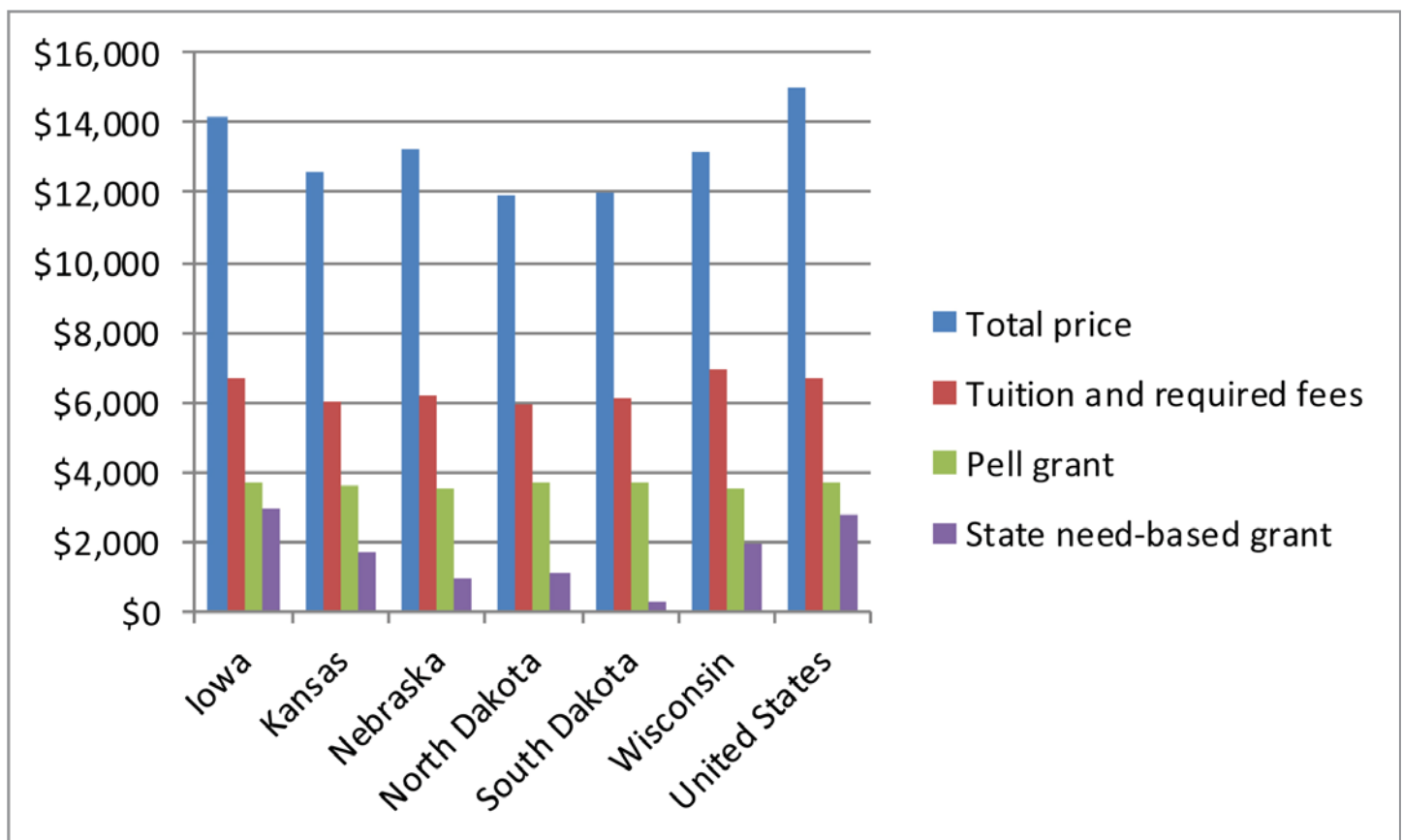
Source: AIR. (2012). *Trends in college spending*.

Need-Based Grant Aid Allocations

State need-based student aid programs can play a significant role in reducing the net cost of college for families of modest means. Figures 25a-b portray the average state need-based grant aid award relative to the average total price of full-time enrollment at public four-year institutions (i.e., tuition, fees, room,

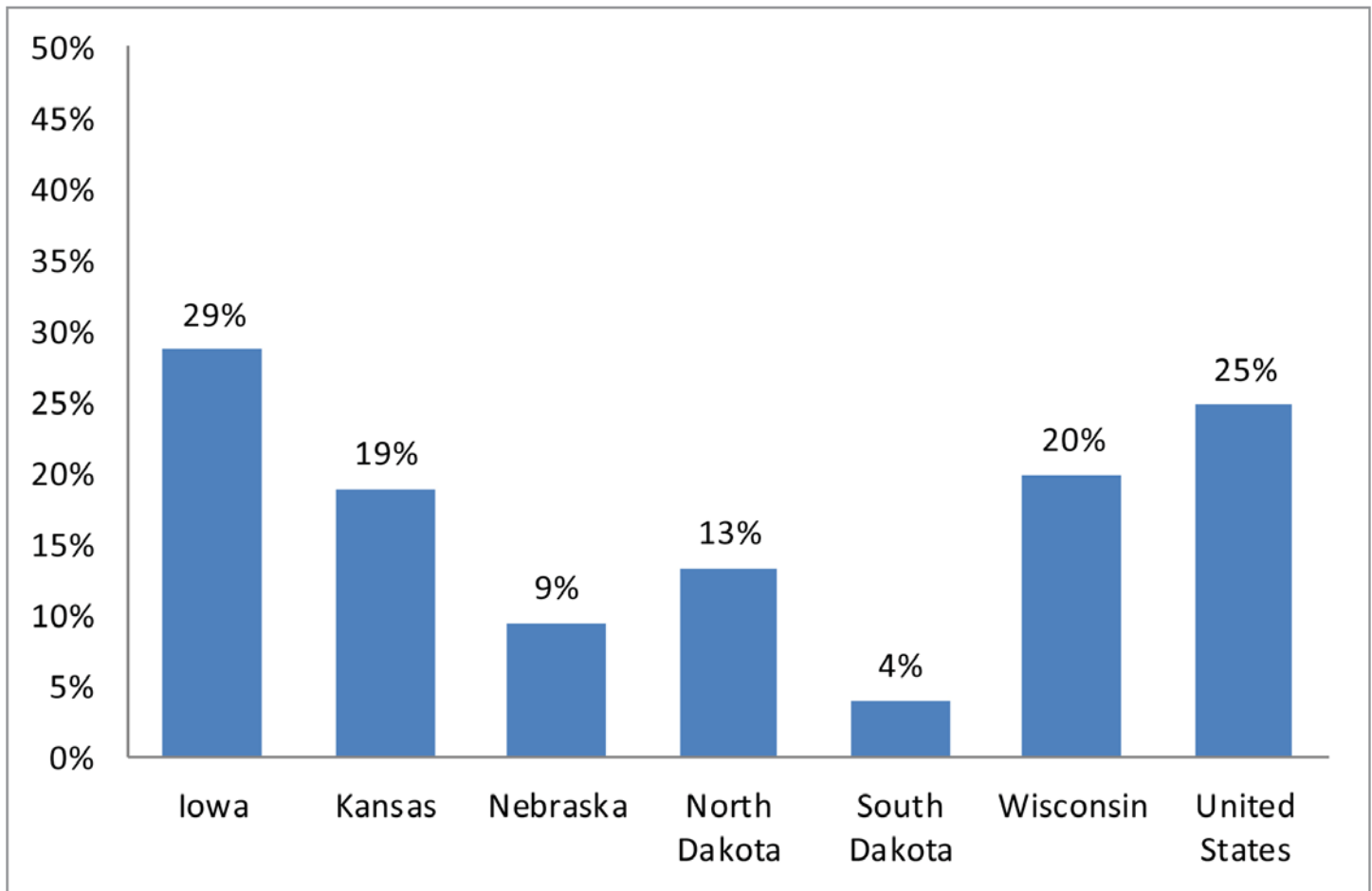
and board). Notably, Figure 25b indicates that the average state need-based grant award in Iowa was equivalent to only 29 percent of the average total price of enrollment at a public four-year institution after accounting for the average Pell grant award.

Figure 25a. Average Price of Full-time Undergraduate Enrollment at Public 4-year Institutions Relative to Pell Grant and State Need-based Grant Aid



Source: Integrated Postsecondary Education Data System. (2012). *Student charges*. Postsecondary Education Opportunity. (2012). *State need-based grant coverage of Pell grant recipients: 2009-10*.

Figure 25b. State Need-based Aid as a Percentage of the Average Total Price of Full-time Undergraduate Enrollment at Public 4-year Institutions (Minus the Average Pell Grant)



Source: Integrated Postsecondary Education Data System. (2012). *Student charges*. Postsecondary Education Opportunity. (2012). *State need-based grant coverage of Pell grant recipients: 2009-10*.

Quality Standards

States formulate and endorse a host of policies to improve high school readiness, high school graduation rates, and college readiness. For example, most MHEC states have adopted the Common Core State Standards, wherein grade-specific student outcomes are clearly delineated for English language arts and mathematics.⁵² Such state-led efforts could strongly influence opportunities for participation and success in higher education.

Indicators presented in this section include:

- Pre-K policy rating
- K-12 policy rating
- Postsecondary policy rating
- State data system rating

Pre-K Policy Rating

If states are to reap a high, positive return on pre-K investments, policymakers must ensure a high level of program quality. The National Institute for Early Education Research defines “high quality” programs according to 10 policy standards.⁵³ In Table 3, the first standard refers to whether the state has comprehensive early learning standards in the areas of physical well-being and motor development, social/emotional development, learning approaches, language development, and cognition. Four standards are related to teacher quality, including requirements that pre-K teachers possess a bachelor’s degree, a pre-K education specialization, and at least 15 hours of

annual in-service training. Moreover, teacher assistants should possess at least a Child Development Associate (CDA) credential. Two standards indicate that class size should not exceed 20 students, and there should be at least 1 staff member for every 10 children. Another two standards pertain to student and parent services, including the provision of vision, hearing, and health screenings; parent support or involvement programs; and a meal program. States meet the last standard if site visits are required to evaluate program implementation. As indicated earlier, Iowa currently meets 60-70 percent of the quality standards for state-funded pre-K education.

Table 3. Pre-K Policies Associated with High Program Quality

Policies	Iowa (Shared Visions)	Iowa (Statewide Voluntary Preschool Program)	Number of States Meeting Standard
Comprehensive early learning standards	✓	✓	37
Teacher has B.A.		✓	23
Specialized training in pre-K	✓	✓	34
Assistant teacher has CDA or equivalent			14
At least 15 hours/year in-service			33
Maximum class size <20	✓	✓	33
Staff-child ratio 1:10 or better	✓	✓	33
Vision, hearing, health, and one support service	✓	✓	28
At least one meal	✓		18
Site Visits		✓	27
Quality Standards Checklist Sum 2008-2009	6	7	5 states meet all standards

Source: National Institute for Early Education Research. (2011). *The state of preschool 2011*.

K-12 Policy Rating

States can improve the quality of K-12 education through policies related to academic standards, K-16 alignment, and teacher effectiveness.⁵⁴ In Table 4, policies associated with academic standards are evaluated by whether they articulate performance standards specific to grades or courses instead of grade spans. K-16 alignment policies pertain to such matters as defining college readiness, requiring college preparatory curricula for graduation, and aligning both credits and assessments with postsecondary

requirements. Policies that promote teacher effectiveness can be assessed in terms of licensure requirements, teacher evaluation requirements, incentives for retaining high quality teachers, support for teacher development, positive work conditions, and appropriate student-staff ratios. Iowa meets 50 percent of the academic standards, 50 percent of the K-16 alignment standards, and 54 percent of the teacher effectiveness standards.⁵⁵

Table 4. K-12 Policies Related to Academic Standards, K-16 Alignment, and Teacher Effectiveness

	Iowa	Number of States Meeting Standard
Academic Standards		
English/language arts standards are course- or grade-specific in elementary, middle, and high school (2011-12)	Middle and High School Only	33
Mathematics standards are course- or grade-specific in elementary, middle, and high school (2011-12)	Middle and High School Only	31
Science standards are course- or grade-specific in elementary, middle, and high school (2011-12)	Middle and High School Only	26
Social studies/history standards are course- or grade-specific in elementary, middle, and high school (2011-12)	No	26
K-16 Alignment		
College readiness – State defines college readiness	Yes	33
College preparation – College prep required to earn a high school diploma	No	10
Course alignment – Credits for high school diploma aligned with postsecondary system	Yes	11
Assessment alignment – High school assessment aligned with postsecondary system	No	15
Teacher Effectiveness		
<i>Teacher Licensure Requirements</i>		
Substantial coursework in subject area(s) taught (e.g., academic major)	Yes	28
Test of basic skills	Yes	39
Test of subject-specific knowledge	No	43
Test of subject-specific pedagogy	No	4
Student-teaching during teacher training	Yes (not for alternative-route candidates)	41
Other clinical experiences during teacher training	Yes (not for alternative-route candidates)	15

Table 4. K-12 Policies Related to Academic Standards, K-16 Alignment, and Teacher Effectiveness

	Iowa	States meeting standard
<i>Teacher Evaluation</i>		
Formal evaluations of all teachers' performance required	Yes	45
Teacher evaluations must be conducted annually	No	20
All evaluators of teachers receive formal training	Yes	29
<i>Teacher Incentives</i>		
Teacher-pay parity – Teacher salaries at least equal to comparable occupations (2010)	No	13
Differentiated roles for teachers formally recognized by state (2011-12)	Yes	22
Incentives for teachers taking on differentiated roles (2011-12)	Yes	15
Financial incentives for teachers to earn national-board certification (2011-12)	No	24
Incentives to board-certified teachers working in targeted schools	No	8
<i>Teacher Support</i>		
Induction program for all new teachers funded by state	Yes	14
Mentoring program for all new teachers funded by state	Yes	16
Mentoring-program standards for selecting, training, and/or matching mentors	Yes	13
Reduced workload for all first-year teachers	No	3
Formal professional-development standards	Yes	39
Professional development financed by state for all districts	Yes	23
Districts/schools required to set aside time for professional development	No	16
Assistance – State provides assistance to low-performing schools (2011-12)	No	36
<i>Teacher Work Conditions</i>		
State tracks condition of school facilities (2011-12)	No	25
State posts school-level teacher-survey data on climate, working conditions (2011-12)	No	9
<i>Student-Staff Ratios</i>		
Program to reduce or limit class size implemented by state (2011-12)	Yes	24
Student-to-teacher ratio median in elementary schools is 15:1 or less (2009-10)	Yes	28
Student-counselor ratio 250:1*	No	3

Source: Editorial Projects in Education Research Center. (2012). *State Highlights 2012*.

*Data for this indicator were derived from the Common Core of Data.

Postsecondary Policy Rating

While various policies can be adopted to enhance the quality of postsecondary education, this report focuses on the critical need to promote the assessment of institutional practices and student outcomes. Specifically, states are evaluated according to whether all public four-year institutions are using the National Survey of Student Engagement (NSSE) and whether states require institutions to report labor and student learning outcomes. The utilization of NSSE allows institutions to determine whether they are providing an effective context for learning and persistence, including the provision of a high level of academic challenge, active and collaborative learning, student-faculty interaction, a supportive campus environment, and enriching educational experiences.⁵⁶ Policymakers

can further convey the expectation of strong institutional performance by mandating the collection and reporting of student outcomes data. Many institutions are currently using such measures as the Collegiate Learning Assessment, the ETS Proficiency Profile, and the ACT Collegiate Assessment of Academic Proficiency. State data systems can also be developed to evaluate the employment rates, wages, and work-degree concordance of college graduates. Table 5 indicates that all of Iowa's public 4-year institutions utilize the NSSE survey. Iowa reports labor market outcomes for two-year but not four-year institutions. Student learning outcomes are not reported.

Table 5. Postsecondary Student Assessment Practices and Policies in MHEC States

MHEC State	Percentage public 4-year institutions participating in NSSE 2000-13	State reports labor market outcomes: 4 yr institutions	State reports labor market outcomes: 2 yr colleges	State reports student learning outcomes: 4 yr institutions	State reports student learning outcomes: 2 yr colleges
Illinois	92%	no	yes	no	no
Indiana	93%	yes	yes	no	no
Iowa	100%	no	yes	no	no
Kansas	100%	no	no	no	no
Michigan	100%	no	no	no	no
Minnesota	92%	yes	yes	yes	yes
Missouri	93%	no	no	yes	yes
Nebraska	86%	yes	yes	no	no
North Dakota	67%	yes	yes	no	no
Ohio	53%	yes	yes	no	no
South Dakota	100%	yes	yes	yes	yes
Wisconsin	93%	no	no	no	no

Sources: National Survey of Student Engagement. (2012). *Participating institutions*. U.S. Chamber of Commerce ICW. (2012). *Leaders and laggards* (labor market and student outcomes reporting).

State Data System Rating

The improvement of performance in any system necessitates that individuals receive and utilize feedback on the efficacy of past, present, and future actions. Historically, though, states have lacked appropriate data systems that provide timely and relevant feedback for students, parents, teachers, administrators, and policymakers. Accordingly, the Data Quality Campaign, a national advocacy organization, has identified 10 state actions to promote the effective use of data and 10 essential elements

of longitudinal data systems. While most states have already adopted all of the essential elements for a robust longitudinal data system, important state actions remain to be taken. State actions refer to strategies for linking data across educational sectors and into the workforce, providing data access for relevant stakeholders, and promoting the effective use of data for system improvement. Iowa has completed 4 of 10 recommended state actions (see Table 6).

Table 6. State Actions and System Elements Related to Data Quality

Action		IL	IN	IA	KS	MI	MN	MO	NE	ND	OH	SD	WI
1:	Link data systems	no	yes	no	no	no	no	yes	no	no	no	no	no
2:	Create stable, sustained support	yes	no	yes	yes	yes	no	no	yes	yes	yes	no	yes
3:	Develop governance structures	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
4:	Build state data repositories	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes
5:	Implement systems to provide timely access to information	no	yes	no	no	no	no	no	no	no	no	no	no
6:	Create progress reports using individual student data to improve student performance	no	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes
7:	Create reports using longitudinal statistics to guide systemwide improvement efforts	yes	yes	no	yes	yes	yes	yes	no	no	yes	no	yes
8:	Develop a P-20/workforce research agenda	yes	yes	no	yes	yes	no	yes	no	no	yes	no	yes
9:	Promote educator professional development and credentialing	no	no	no	no	no	no	no	no	no	yes	no	no
10:	Promote strategies to raise awareness of available data	no	yes	no	yes	yes	no	no	no	no	yes	no	yes

Source: Data Quality Campaign. *Data for Action 2012: DQC's State Analysis*.

Appendix: International Perspectives

Postsecondary Enrollment

As the forces of globalization diminish barriers between countries, states will increasingly compete for knowledge-based industries and jobs on an international stage. Access to postsecondary education is essential for developing a stock of human capital that enables states to retain a strong competitive advantage. Figure A-1 shows that the United States continues to be a global leader in postsecondary enrollment, which is due in part to the size, diversity, and accessibility of its system. Iowa's rate of enrollment among 18-24 year olds (42 percent) exceeds the rates of all OECD countries except Slovenia (43 percent) and Korea (58 percent).⁵⁷

Figure A-1. Percentage of 18-24 Year Old Cohort Enrolled in Postsecondary Education

United States		OECD Country
	58%	Korea
Rhode Island	53%	
Vermont	43%	Slovenia
Iowa, Massachusetts	42%	
West Virginia, California	41%	
Pennsylvania	40%	
North Dakota, Delaware, Nebraska, Kansas, Minnesota, Michigan	39%	United States
Indiana, New York	38%	
Wisconsin, Ohio, South Dakota, Alabama	37%	
Missouri, Virginia	36%	Poland, Belgium
New Hampshire, Utah, Illinois, Maryland, Maine, New Mexico, Arizona, Kentucky, Oregon	35%	
Florida, Colorado, South Carolina, New Jersey, Arkansas, Hawaii, Mississippi	34%	
Connecticut, North Carolina, Oklahoma, Wyoming, Tennessee	33%	
Texas	32%	New Zealand
Louisiana, Georgia	31%	Netherlands, Australia, Chile
Montana, Washington, Idaho	30%	Canada, France, Finland, Spain
	29%	Ireland, Estonia, Hungary
	28%	Italy
	27%	Czech Republic
Nevada	26%	Portugal, Slovak Republic
	24%	Turkey, Norway
	23%	United Kingdom
	22%	Austria
	21%	Denmark, Sweden
	20%	Germany
Alaska	19%	
	18%	Israel, Switzerland, Iceland
	16%	Mexico
	13%	Brazil

Source: OECD. (2009). *Education at a glance: 2009*; U.S. Census Bureau. (2009). *American college survey*. Adapted from National Center for Higher Education Management Systems.

Educational Attainment

While the United States has comparatively high enrollment rates, several countries outperform the United States in degree attainment. Figure A-2 indicates that the United States ranks 13th in the percentage of adults aged 25-34 who have an associate's degree or higher. Iowa's rate of educational attainment (46 percent) is higher than the U.S. average but falls below the rates of such top performing countries as Korea, Japan, and Canada. While each country has its own cultural characteristics, political climate, and economic conditions, specific policy mechanisms may partially explain differences in degree attainment. For example, Canada has invested heavily in "sub-bachelor's" attainment, which has widened the pipeline and increased both participation and graduation.⁵⁸

Figure A-2. Percentage of Adults Aged 25 to 34 Holding an Associate's Degree or Higher

United States		OECD Country
	65%	Korea
	57%	Japan
	56%	Canada
Massachusetts	54%	
Minnesota, New York, North Dakota	50%	
New Jersey	48%	Ireland
	47%	Norway
Iowa, New Hampshire	46%	New Zealand, United Kingdom
Connecticut, Maryland, Virginia	45%	
Colorado, Illinois, Nebraska, Pennsylvania, Rhode Island	44%	Australia, Belgium, Israel, Luxembourg
South Dakota	43%	France
Kansas, Vermont	42%	Sweden, United States
Wisconsin, Washington	41%	Netherlands
Missouri	40%	Switzerland
Hawaii, Montana, Ohio, Utah	39%	Finland, Spain
California, Delaware, Maine, Oregon, Wyoming	38%	Chile, Denmark, Estonia, OECD average
Michigan, North Carolina	37%	Poland
Florida, Indiana	36%	Iceland
Georgia, South Carolina	35%	
Tennessee	34%	
Alaska, Arizona, Kentucky, Texas	33%	
Alabama	32%	
Idaho, Louisiana, Mississippi	31%	Slovenia, Greece
Arkansas, Oklahoma, West Virginia	30%	
Nevada, New Mexico	28%	
	26%	Germany, Hungary
	25%	Portugal
	24%	Slovak Republic
	23%	Czech Republic
	22%	Mexico
	21%	Austria, Italy
	17%	Turkey

Source: National Center for Higher Education Management Systems. (2012). *ACS educational attainment by degree level: 2010*. OECD. (2012). *Education at a glance: Population who has attained tertiary education: 2010*.

End Notes

¹The Georgetown University Center on Education and the Workforce. (2010). *Help wanted: Projections of jobs and education requirements through 2018*.

²Job categories were defined by the Georgetown University Center on Education and the Workforce: Managerial and Professional (e.g., management, business operations, finance, and legal); STEM (e.g., computer and mathematical science, architects and technicians, engineers and technicians, life and physical scientists); Community Service and Arts (e.g., social services, arts, design, sports, entertainment, media); Education; Healthcare (professionals and support); Food and Personal Services (e.g., protective services, food preparation and serving, personal care); Sales and Office Support; and Blue Collar (e.g., farming, fishing and forestry, construction and extraction, installation, maintenance and equipment repair, production, transportation and material moving).

³Lumina Foundation. (2012). *A stronger nation through higher education*. Retrieved from http://www.luminafoundation.org/publications/A_Stronger_Nation-2012.pdf

⁴College Board. (2010). *Education pays 2010*. Retrieved from http://trends.collegeboard.org/downloads/Education_Pays_2010.pdf

⁵State-by-state data currently exist only for a few indicators related to the economic benefits of higher education.

⁶Horn, A. S. (2012). *The selection of peer states for performance benchmarking in higher education*. CPER Working Paper 01-12. Minneapolis, MN: Midwestern Higher Education Compact.

⁷U.S. Census Bureau. (2010). *Voting and registration in the election of November 2008*. Retrieved October 19, 2011, from <http://www.census.gov/prod/2010pubs/p20-562.pdf>

⁸Bureau of Labor Statistics. (2011). *Volunteering in the United States: 2010*. Retrieved October 19, 2011, from <http://www.bls.gov/news.release/pdf/volun.pdf>

⁹U.S. Department of Health and Human Services. (2011). *Health, United States, 2010*. Retrieved October 19, 2011, from <http://www.cdc.gov/nchs/data/hsr/hsr10.pdf#010>

¹⁰*Ibid.*

¹¹*Ibid.*

¹²U.S. Census Bureau. (2010). *American Community Survey 1 Year Estimates*. Retrieved October 19, 2011, from <http://factfinder2.census.gov>

¹³U.S. Census Bureau. (2010). *American Community Survey 1 Year Estimates*. Retrieved October 19, 2011, from <http://factfinder2.census.gov>

¹⁴Bureau of Labor Statistics. (2011). *Education pays*. Retrieved October 19, 2011, from http://www.bls.gov/emp/ep_chart_001.htm

¹⁵Median incomes are defined as median earnings in the past 12 months in 2010 inflation-adjusted dollars by educational attainment for the population 25 years and over with earnings. U.S. Census Bureau. (2010). *2010 American Community Survey 1-year estimates*. The Tax Foundation. *State individual income tax rates, 2000-2011*. Retrieved October 19, 2011, from http://www.taxfoundation.org/files/state_individualincome_rates-2000-2011-20110503.xls

¹⁶National Center for Education Statistics. (2010). *Number and percentage of actual and projected undergraduate enrollment in degree-granting postsecondary institutions, by sex, attendance status, and control of institution: Selected years, fall 1970-2020*. Retrieved October 19, 2011, from <http://nces.ed.gov/programs/coe/tables/table-hep-1.asp>

¹⁷Bozick, R., & DeLuca, S. (2005). Better late than never? Delayed enrollment in the high school to college transition. *Social Forces*, 84(1), 527-550.

¹⁸Enrollment estimates do not include international students and students of unknown race/ethnicity. Enrollment estimates include students of all ages.

¹⁹Postsecondary Education Opportunity. (2011). *College participation rates for students from low income families by state*. Retrieved October 19, 2011, from <http://www.postsecondary.org>. The low-income student enrollment rate is defined as the number of dependent Pell grant recipients divided by the number of children enrolled in 4th to 9th grades who qualify for free/reduced price lunch. Enrollment rates among college-ready, low-income students were unavailable.

²⁰National Center for Higher Education Management Systems. (2009). *Graduation rates*. Retrieved from <http://www.higheredinfo.org>

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²¹Bureau of Labor Statistics. Education pays. Retrieved from http://www.bls.gov/emp/ep_chart_001.htm

²²Jaeger, D. A., & Page, M. E. (1996). Degrees matter: New evidence on sheepskin effects in the returns to education. *The Review of Economics and Statistics*, 78(4), 733-740.

²³The calculations of retention and graduation rates do not account for students who begin their studies at one institution and complete them at another. The indicator data should be interpreted while bearing in mind the multiple factors that influence retention and graduation rates, which lie beyond the postsecondary institutional context, particularly the pre-college academic preparedness of students.

²⁴Turner, S. (2004). *Going to college and finishing college: Explaining different educational outcomes*. Retrieved October 19, 2011, from <http://www.nber.org/chapters/c10097.pdf>

²⁵U.S. Department of Labor. *Occupational outlook handbook, 2010-11*. Retrieved from <http://www.bls.gov/oco/oco2003.htm#occupation>

²⁶This indicator does not account for interstate migration.

²⁷This indicator does not take into account migration patterns, which influence a state's supply of degrees in any particular field.

²⁸Education and related expenditures include spending on direct costs of educational activities: instruction, student services, and educational spending related to academic support, institutional support, and operations.

²⁹It is worth noting that some credentials cost significantly more than others, and states that appear to be maximizing their revenues might be generating lower quality degrees or credentials that have lower market returns.

³⁰Adelman, C. (2006). *The toolbox revisited: Paths to degree completion from high school through college*. Retrieved October 19, 2011, from <http://www2.ed.gov/rschstat/research/pubs/toolboxrevisit/toolbox.pdf>

³¹Pianta, R. C., Barnett, W. S., Burchinal, M., & Thornburg, K. R. (2009). The effects of preschool education: What we know, how public policy is or is not aligned with the evidence base, and what we need to know. *Psychological Science in the Public Interest*, 10(2), 49-88.

³²American College Testing. (2008). *The forgotten middle*. Retrieved October 19, 2011, from <http://www.act.org/research/policymakers/pdf/ForgottenMiddle.pdf>

³³Higher income is defined as any level of income that did not qualify the student for free or reduced price lunch.

³⁴This rate does not include GED attainment. Graduation rates are only calculated for public schools: the number of 9th graders/number of high school graduates four years later. These rates have not been adjusted for student migration.

³⁵American College Testing. (2010). *What are ACT's college readiness benchmarks?* Retrieved October 19, 2011, from <http://www.act.org/research/policymakers/pdf/benchmarks.pdf>

³⁶Desrochers, D. M., & Wellman, J. V. *Trends in college spending 1999-2009*. Retrieved October 19, 2011, from http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf

³⁷The Project on Student Debt. (2012). *Student debt and the class of 2011*. Retrieved from <http://projectonstudentdebt.org/files/pub/classof2011.pdf>. The debt estimates reflect the average per-undergraduate borrower cumulative principal from institutional, state, federal, and private loans. The debt estimates do not take into account credit card debt and family loans, thereby underestimating the overall debt burden incurred through postsecondary education.

³⁸NACE. (2012). *Salary survey: Starting salaries for new college graduates*. Retrieved from http://www.naceweb.org/uploadedFiles/NACEWeb/Research/Salary_Survey/Reports/SS_January_exsummary_4web.pdf

³⁹This calculation assumes a 10-year repayment plan with a fixed interest rate of 6.8 percent.

⁴⁰King, T., & Bannon, E. (2002). *The burden of borrowing: A report on the rising rates of student loan debt*. Retrieved October 19, 2011, from <http://www.pirg.org/highered/BurdenofBorrowing.pdf>

⁴¹AASCU. (2002). *Accountability and graduation rates: Seeing the forest and the trees*. Retrieved from <http://www.shceo.org/access/Graduation%20Rate%20Brief%20-%20AASCU.pdf>

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⁴²Horn, A. S. (2012). *Graduation rates and institutional effectiveness: A performance rating system for the states*. Minneapolis, MN: Midwestern Higher Education Compact.

⁴³National Center for Education Statistics. (2012). *Public school expenditures*. Retrieved from http://nces.ed.gov/programs/coe/indicator_tot.asp#info

⁴⁴NASBO. (2011). *2010 state expenditure report*. Retrieved from <http://www.nasbo.org/sites/default/files/2010%20State%20Expenditure%20Report.pdf>

⁴⁵State Higher Education Executive Officers. (2012). *State higher education finance*. Retrieved from http://www.shceo.org/finance/shef/SHEF_FY11.pdf. Expenditure figures do not include capital or debt service. Twelve states also allocate funds to private institutions (0.2 percent of total appropriations).

⁴⁶National Institute for Early Education Research. (2011). *The state of preschool 2011*. Retrieved from <http://nieer.org/sites/nieer/files/2011yearbook.pdf>. NIEER defines state preschool programs according to whether the initiative is (a) controlled and funded by the state; (b) primarily focused on early childhood education for 3- and/or 4-year old children at least two days per week; (c) differentiated from child care subsidies; and (d) intended to serve all students, not just those with disabilities. NIEER qualifies state supplements to Head Start if the program is under state administration and student enrollment is significantly expanded.

⁴⁷Gault, B., Mitchell, A. W., Williams, E., Dey, J., & Sorokina, O. (2008). *Meaningful investments in pre-k: estimating the per-child costs of quality programs*. Retrieved from http://www.pewstates.org/uploadedFiles/PCS_Assets/2008/PEW_PkN_meaningfulinvestmentsbrief_may2008.pdf

⁴⁸National Center for Education Statistics. (2012). *Public school expenditures*. Retrieved from http://nces.ed.gov/programs/coe/indicator_tot.asp#info

⁴⁹Ryan, J. F. (2004). The relationship between institutional expenditures and degree attainment at baccalaureate colleges. *Research in Higher Education*, 45, 97-114.

⁵⁰Pike, G. R., Kuh, G. D., McCormick, A. C., Ethington, C. A., & Smart, J. C. (2011). If and when money matters: The relationships among educational expenditures, student engagement and students' learning outcomes. *Research in Higher Education*, 52, 81-106.

⁵¹Education and related expenditures include instruction, student services, and academic support. Educational expenditures exclude research, service, institutional support, and other expenses. State appropriations data do not reflect how appropriations are actually being used. Other sources of revenue were excluded: local appropriations, government grants and contracts, and other revenue. Revenue and expenditures are calculated on a FTE student basis.

⁵²Minnesota and Nebraska have not adopted the Common Core Standards.

⁵³National Institute for Early Education Research. (2011). *The state of preschool 2011*. Retrieved from <http://nieer.org/sites/nieer/files/2011yearbook.pdf>

⁵⁴Indicators in this category have been reproduced from each state's *State Highlights* report. Retrieved from <http://www.edweek.org/ew/qc/index.html>

⁵⁵Academic standards are scored on a scale of 0-3 (none, elementary, middle, and/or high school). All other standards are assigned 0/1 reflecting "no"/"yes." Scores are then summed for each section.

⁵⁶National Survey of Student Engagement. (2012). *Fostering student engagement campuswide*. Retrieved from http://nsse.iub.edu/NSSE_2011_Results/pdf/NSSE_2011_AnnualResults.pdf

⁵⁷International comparisons should be utilized with caution due to several factors. First, interstate migration is seamless in the United States and these data reflect patterns related to tuition pricing and labor market demands as well as academic or institutional "quality." Second, there are national and cultural differences impacting both participation and completion rates. Israel, for example, requires military service for most citizens between the ages of 18-21, reducing the percentage of eligible students between those ages. Finally, OECD data is useful for establishing benchmarks with the world's wealthiest, most developed economies, but provides less reliable data regarding emerging economic nations such as Brazil, China, South Africa, Russia, and India.

⁵⁸Hauptman, A. M., & Kim, Y. (2009). *Cost, containment, and attainment in higher education: An international comparison*. Retrieved October 19, 2011, from <http://www.policyarchive.org/handle/10207/bitstreams/18138.pdf>.



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For cost savings purchases of computing hardware, software, and other technology products and services, go directly to www.mhectech.org.

For an interactive, searchable database of all institutions participating in the Midwest Student Exchange Program, please visit the MSEP Access Navigator at <http://msep.mhec.org>.



Hardware Purchases

Higher Education

Briar Cliff College
Central College
Clarke University
Cornell College
Dordt College
Drake University
Drake University-Early Head Start
Graceland University
Grand View College
Indian Hills Community College
Iowa Central Community College
Iowa State University
Iowa State University-Bookstore
Iowa Wesleyan College
Iowa Western Community College
Kirkwood Community College
Luther College
Maharishi University of Management
Mount Mercy College
Northwestern College
Palmer College of Chiropractic
St. Ambrose University
Simpson College
Southeastern Community College
University of Iowa
University of Iowa-Community Medical Services
University of Iowa Hospitals
University of Northern Iowa
University of Northern Iowa-Rod Library
Upper Iowa University
William Penn University

Hardware Purchases

K-12

Albia Community School District
Ballard Community School District
Belle Plaine Community Schools

Belmond-Klemme Community School District
Bettendorf Community School District
Burlington Community Schools
Cal Community School District
Camanche Community School District
Cedar Rapids Community School District
Chariton Community Schools
Clarion-Goldfield Community Schools
Clarksville Community Schools
Clear Lake Community Schools
Council Bluffs Community School District
Davenport Community Schools
Des Moines Christian School
Des Moines Community School District
Des Moines Public Schools
Dubuque Community School District
Fort Dodge Community Schools
Fort Madison Community School District
Gilbert Community Schools
Holy Family School
Hudson Community School
Iowa Braille and Sight Saving School
Iowa City Community School District
Johnston Community School District
Keokuk Community School District
Mount Ayr Community School
Mount Pleasant Community School
Muscatine Community School District
New Hampton Community School District
Newton Community School System
North Scott Community Schools
Oskaloosa Christian School
Oskaloosa Community Schools
Ottumwa Community School District
Pella Christian High School
Pocahontas Area Community Schools
St. Paul Lutheran School
St. Theresa School
Sanborn Christian School

Seymour Community School District
Sioux City Community Schools
Springville School District
Treyner Community Schools
Urbandale Community School District
Ventura Community Schools
Waterloo Community Schools
Waukee Community Schools
Waverly-Shellrock Community Schools
Wayne Community Schools
Webster City Community Schools
West Central Valley Community School District

Hardware Purchases

Government/Other

Appanoose County Attorney
Black Hawk Consolidated 911
Black Hawk County
Black Hawk County-Information Technology
Black Hawk County Management Information Systems
Black Hawk County Sheriff's Office
Bremer County
Buchanan County Sheriff's Department
Butler County-Information Technologies
Cedar Falls Public Library
Cedar Falls Utilities
Cerro Gordo County
Cerro Gordo County Engineer
Cherokee County Assessor
City of Ames-Information Technology Department
City of Ankeny
City of Clinton Fire Department
City of Clive
City of Coralville
City of Council Bluffs
City of Des Moines-Finance Department



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Hardware Purchases*Government/Other*

City of Des Moines-Information Technology Department
 City of Dubuque-Finance Department
 City of Dunlap
 City of Evansdale
 City of Fort Dodge
 City of Gibson
 City of Grimes
 City of Indianola
 City of Manchester-Police Department
 City of Marion
 City of Melbourne
 City of Muscatine
 City of Newton
 City of North Liberty
 City of Pulaski
 City of Remsen
 City of Seymour
 City of Sioux City
 City of Waterloo
 City of West Burlington
 Clinton Public Library
 Council Bluffs-Water Works
 Crawford County
 Crisis Center of Johnson County
 Denison Municipal Utilities
 Des Moines County Information Technology
 Des Moines Water Works
 Evansdale Police Department
 First American Equipment Finance
 Grant Wood Area Education Agency
 Great Prairie Area Education Agency
 Grimes Public Library
 Grundy County
 Harrison County Geographic Information System Department
 Hawarden Public Library
 Hawkeye Valley Area Education Agency
 Heartland Area Education Agency 11
 Humeston City Library
 Iowa County Attorneys Case Management
 Iowa County Health Department
 Iowa Lottery
 Johnson County Crisis Centers
 Johnson County-Information Services
 Keystone Area Education Agency 1
 Knoxville Police Department

Knoxville Public Housing
 Le Mars Police Department
 Loess Hills Area Education
 Louisa County-Sheriff's Office
 Manchester Police Department
 Mississippi Bend Area Education Agency
 Muscatine County-Information Services
 Muscatine Power and Water
 Newton Fire Department
 Oskaloosa Public Library
 Page County-Landfill Association
 Pottawattamie County-Information Technology
 Science Center of Iowa
 Scott County
 Scott County Waste Commission
 State of Iowa-Administrative Services Department
 Tama County
 Tama County-Public Health
 Taylor County-Engineer's Office
 Taylor County-Treasurer's Office
 Upper Des Moines Opportunity
 Warren County-Information Technology
 Waterloo Police Department
 Webster County
 Winneshiek County
 Winneshiek County Public Health Department
 Worth County Sheriff's Department

Software Purchases*Higher Education*

Des Moines Area Community College
 Dordt College
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 Eastern Iowa Community College
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